



**WORK STRESS AND EMPLOYEE PERFORMANCE: AN ASSESSMENT OF
IMPACT OF WORK STRESS**

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Abstract

Stress may be a universal element and individuals in every walk of life should face it. The staff working in several organizations should cater to stress. Especially, bankers are under a good deal of stress because of many antecedents of stress. These stresses result in decreased organizational performance, decreased employees' overall performance, and decreased quality of labor, high staff turnover, and absenteeism. It also causes health problems like anxiety, depression, headache and backache. Eight components of job stress: work type, salary pay scale, and job insecurity, poor communication, work overload, lack of motivation, lack of management support and poor performance evaluation and appraisal system were examined during this study. The target of the study is to explore the strain related problems of bankers and examine the factors that play a crucial role in creating stress among the staff of banks. And eventually, to know the impact of stress on employee performance, 200 questionnaires were filled by the bankers from different banks of Kathmandu valley. The results show that everyone the components of stress significantly decreases their performance.

Key words: *Work stress, Employees' performance, Work overload, banking sector*

Introduction

Stress is an adaptive response to a situation that's perceived as challenging or threatening to a person's well-being. McGrath, (1976) defined job stress as "a condition within which employees are needed to satisfy the duties that exceed the person's ability, and also the resources which are required to perform these duties, under true where there's a huge difference between rewards and demand for fulfilling the duties." Although stress includes both good and bad aspects it's not necessarily bad. Stress ends up in decreasing employee overall performance, high error rate and poor quality of labor, high staff turnover, and absenteeism because of health problems like anxiety, work-life imbalance, depression, and other styles of ailments like frequent headache; obesity and cardiac arrests. Work stress is the response people may have when presented with work demands and pressures that don't seem to be matched to their knowledge, talents and which challenge their ability to cope. Robbins & Sanghi (2006) defined as "A dynamic condition within which a private is confronted with a chance, constraints, or demand associated with what he or she desires and that the end result is appeared to be both uncertain and important." normally, the mixture of high demands in an exceeding job and a coffee amount of control over issue can result in stress. Nowadays stress has become an integral part of jobs in every sector. In recent years the banking system of Nepal has been ready to attract young talents who have chosen the banking profession as their preferred career. But banks are hunting enormous changes in organizational structure, technology and new ways of structuring the operation, etc. that have left their mark on the working condition, and daily lives of employees. Because of this, employees face many problems while performing their work. There's excessive pressure within the banking system to perform any tasks that always ends up in stress which undermines employee performance and might make people believed that employees uncertainty of their abilities; if they'd sufficient qualifications to satisfy job requirements, lack of information and skills opposite to task demands will end in internal conflict and job stress ill (Rao & Borkar, 2012; Varca, 2009). It's generally acknowledged by a various people working within the banking system that stress and burnout drain the performance of the staff. It's discovered in research there's an indirect correlation between the quality of services delivered to customers and work-related stress, that is, highly stressed employees have not provided top quality services as compared to less stressed ones (Varca, 2009). Competition is additionally growing day by day among the banking system. The work environment of banking employees is extremely tedious because it includes the immediate client connection all told levels. Bankers are under an enormous deal of stress which thanks to many factors of stress, as an example, Overload, Role ambiguity, Role conflict, Responsibility for people, Participation, Lack of Performance evaluation and appraisal, Lack of feedback, pay scale, Lack of management support and staying tuned into quick innovative change The objective of the study is to explore the strain related problems of bankers of Kathmandu valley and examine the factors that play a crucial role in creating stress among the staff of banks similarly as an effect of such stress in their performance.

Literature Review

Literature Review in the banking sector, particularly higher management doesn't realize the impact of stress on employee performance which ultimately leads to critical managerial dilemmas as Imtiaz & Ahmad (2009) described "Higher level of stress existed with no managerial concern for solution consequently lowering the worker performance, staking organizational reputation, and loss of skilled employees, these situations necessitate immediate concern from organization management for employing effective stress management practices extending employee satisfaction and overall employee performance." Oreoluwa & Oludele (2010) remarked that the main changes implemented like workforce cutbacks within the banking sector in recent times have had an oversized impact on workers by negative effects on their working and private lives. Cutbacks put pressure on the remaining workforce with increased work overload or stress. From their study, they found there's higher level of stress among the executives than the non-executives within the Nigerian banking system. The heavy workload demands within the banks often transform long working hours which affect personal health significantly. Moreover, to compete with other banks, bank management must necessitate change to enhance performance. Management can improve it by re-engineering, rationalization of branches and business lines, increased working hours, staff education and retraining. The findings indicated that bank workers who are victims of management reactions are subject to fret. However, the study had a hunt gap because it didn't address other factors that might affect employee satisfaction. Additionally, the study did not utilize correlational analysis and odd ratio regressions as these are suitable methodologies for analyzing Likert scale data. An individual in his or her job in bank face stress as Khattak, Minhas, Haq, Arif, & Khan (2011) suggested "The workplace is potentially a very important source of stress for bankers. Thanks to the number of the time they spent in their respective banks." Which stress often decreases their performance. Therefore, the occupation of people may well be a significant source of stress within the given circumstances. When individuals face stress because of various conditions of their occupation and fail to deal with stress, it results in burnout. Basically, in the banking sector, lack of administrative support from the boss(manager), work overload and time pressure, the riskiness of job, poor relationship with customers and co-workers, and work-family imbalance cause stress which in turns decrease employee performance (Bamba, 2016)

Kaur & Gautam (2016) said that in India, banks are amongst the top ten stressed workplaces. This text is a trial to review the requirement of stress management programs because of increased dangers of stress under which it becomes difficult for an employee to figure. It also suggests that the organization should understand the share they ought to spend on stress management programs in order that they'll maximize their profit which might also help in generating satisfaction amongst employees. In the same tune Levner et al., (1994) found the negative association between exposure to high demand and low control at work and performance of employees. They also remarked that social support at work positively influence workers' performance through reduction in stress. Silva et al., (2012) found the poor performance of financial service employees with high level of stress. Rusli and Edimansyah (2008) had study using structural equation modelling in work stress and performance. They

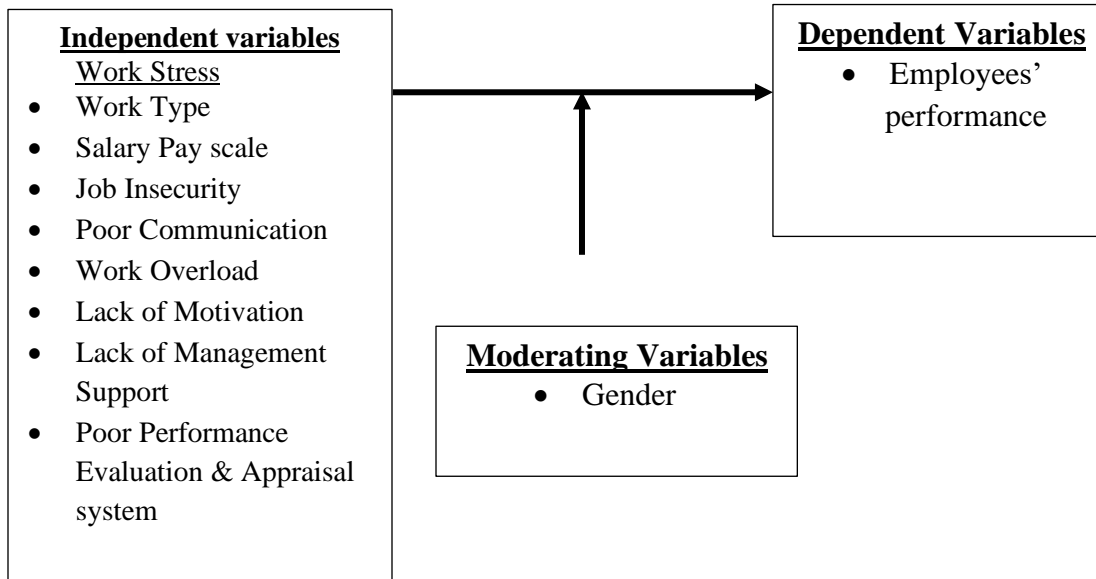
found that stress directly affects quality of work and private life and poor life condition affects adversely to employee performance. Tobiasz – Adamczyk & Brzyski (2005) found that perception of employees over work condition determines the level of stress among the employees of beginning of the older age.

Earlier studies and researches were conducted on employees of assorted industries but this study focuses on the industry inside Kathmandu valley. After the review of articles associated with work stress and employee performance, it had been found that very few studies were conducted in the banking sector in Kathmandu valley. To fill the research gap, this study aims to review factors affecting work stress amongst banking employee, and also the association of such stress on job performance. This study also analyses the moderating effect of gender.

Theoretical frame work

Cooper (2000) found six items as valid OSI (occupational Stress Indicators) that measure stress; intrinsic to the duty, organizational role, relationships with others, organizational structure and climate, home/work interface, and career and achievement. Card (2002) divided the stressors into six categories consisting of things „Intrinsic to job, Role within the Organization, Career Development, Organizational climate, Relationships within the Organization and Personality Factors. Joy, and Radhakrishnan (2013) put the stressors into four categories of work-related, organization related, relationships at work and career development. They further found that for male factory workers the financial problems / low wages followed by the poor physical environment, Dual career, Threat to job security, Social / Physical isolation, Personal / family problem, No role in the higher cognitive process, Boring repetitive work, Frustration over career ambition, and Harassment and bullying were found to be significant stressors in decreasing order of importance while for female workers the stressors were regarding A dual career, Financial problems / low wages, Personal / family problems, Social/physical isolation, Poor physical environment, Frustration over career ambition, Boring repetitive work, Threat to job security, No role in the higher cognitive process, and Harassment and bullying within the decreasing order of intensity. Other authors have forbidden individual factors largely falling into one or the opposite categories cited above. This study examines the impact of various factors (independent variable) on stress of employees and their impact on work performance. Stress level and employee performance is taken as the independent and dependent variables. This study has gender as the moderating variable. The relationship between dependent, independent and moderating variables are presented in Figure 1.

Figure 1. Relationship between work stress and employee performance



Research Methodology

The descriptive research design was utilized in this study, where survey was allotted by sending the questionnaire to the staff working within the banks, to explain the characteristics of variables of interest, frequencies, and categories of things of stress. The correlation research design has also been went to find an association between work stress and employee performance. Structured questionnaires were distributed to the employees of various commercial banks in Kathmandu through online forms. A total of 200 responses was collected. In a similar study conducted by Imtiaz & Ahmad (2009), 120 samples were used. During this study, more than 120 sample size was used. The study was conducted from the worker's point of view. Primary data was collected through an online questionnaire where the questionnaires contained both open-ended questions and closed ended questions, prepared with the assistance of Google forms. The quantitative method had been used for the gathering of information for exploring the strain related problems of bankers and examining the factors that play crucial role in creating stress amongst the staff of banks. The questionnaire data were analyzed using SPSS software. Frequency analysis, percentage analysis and mean was used as statistical tools to draw a conclusion on factors that play a crucial role in stress level and employees' performance. The mean of Likert scale questions was analyzed to seek out the factors that contribute to fret. Levene's test was allotted to seek out the equality of variation in data and independent t-test was went to find association between gender and stress level. Pearson's matrix was went to determine the connection between factors of stress level and employees' performance.

Analysis and Results

Respondent's profile

TABLE 1: RESPONDENT'S GENDER

Gender	Frequency	Percent
Male	110	55%
Female	90	45%
Total	200	100%

Source: Field Survey (2019)

Table 1 indicates that male respondents were greater than female respondents, but in the ratio of population distribution of Nepal. So, the study findings can be went across gender.

Factors Contributing Stress

Banking is most tedious and stressful job because they have to face people and with the growing competition demands more time and effort (Varca, 2009). It is essential to identify those factors that contribute much in creation of stress in the Nepalese environment. Table 2 analyses ranks the stresses factors based on the perception of banking employees.

TABLE 2. REASON BEHIND STRESS

Problems	Frequency	Percent
Work Type	28	14%
Salary and Pay scale	22	11%
Job Insecurity	30	15%
Poor Communication	28	14%
Work Overload	33	16.5%
Lack of Motivation	24	12%
Lack of Management Support	16	8%
Poor Performance Evaluation & Appraisal	15	7.5%
Others	4	2%
Total	200	100%

Source: Field Survey (2019)

Table 2 indicates the causes or issues why banking sector workers feel overwhelmed. It can be seen that the key factors which play a crucial role in creating stress among bank employees are work overload, work type, lack of motivation, poor communication and job insecurity.

LEVEL OF STRESS

TABLE 3. LEVEL OF STRESS

Level of Stress	Frequency	Percent
Mild	50	25%
Moderate	57	28.5%
Severe	65	32.5%
Extreme	28	14%
Total	200	100%

Source: Field Survey (2019)

Of the 200 respondents who worked within the Kathmandu Valley in banking industry, the majority had extreme stress rates at their workplace. Employees of moderate stress levels immediately followed. Very high number replied feeling severe stress level. This may be because of demand of more time and work and coping with the frequent changes in the product offering and operating system due to intense competition. Those who responded the moderate and mild level of stress might have higher stress tolerance capacity or they might not have found the alternative job opportunities.

TABLE 4. STRESS FACTOR

Stress Factors	Mean
Work Type	3.14
Salary pay scale	3.71
Job insecurity	3.46
Poor communication	2.90
Work Overload	3.23
Lack of motivation	3.53
Lack of management support	2.91
Poor performance evaluation and appraisal system	4.20

Source: Field Survey (2019)

Table 4 demonstrates that inadequate performance evaluation and appraisal processes is a prominent factor for creating stress in the Nepalese banking industry. Similarly, work type, salary and pay scale, job insecurity, work overload and lack of motivation also plays a good role in creating work stress among employees but poor communication and lack of management support less in creating work level stress.

TABLE 5. INDEPENDENT SAMPLE T TEST BETWEEN GENDER AND TRESS LEVEL

		Levine's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Level of Stress	Equal variances assumed	1.139	.287	-1.408	198	.161
	Equal variances not assumed			-1.415	193.682	.159

Table 6 shows the p-value 0.161. P-value (i.e., 0.161) is greater than 0.05 (level of significance). It suggests that male and female stress levels are not substantially different. As there is no substantial mean difference between male and female, it can be assumed that the gender of the moderating variable does not influence the stress level.

Relationship between work stressors and employee performance

Various studies as shown in literature review presented the adverse relationship between work stressors and organizational performance in the sectors of business i.e. nursing, trade, banking and even universities. Here, the correlation coefficients has been calculated in table 6 to see the association of work stressors and employee performance in the banking sector of Nepal.

TABLE 6. RELATIONSHIP BETWEEN STRESS FACTORS AND POOR EMPLOYEES' PERFORMANCE

	Employees' Performance	
Work Type	Pearson Correlation	-.463*
	Sig. (2-tailed)	.000
Salary pay scale	Pearson Correlation	-.625*
	Sig. (2-tailed)	.000
Job insecurity	Pearson Correlation	-.524*
	Sig. (2-tailed)	.000
Poor communication	Pearson Correlation	-.447*
	Sig. (2-tailed)	.000
Work Overload	Pearson Correlation	-.191*
	Sig. (2-tailed)	.007
Lack of motivation	Pearson Correlation	-.563*
	Sig. (2-tailed)	.000
Lack of management support	Pearson Correlation	-.512*
	Sig. (2-tailed)	.000
Poor performance evaluation and appraisal system	Pearson Correlation	-.253*
	Sig. (2-tailed)	.000

*. Correlation is significant at the 0.01 level (2-tailed).

Table 6 shows the relationship between work stressors and employees performance. All stressors considered have adverse association with the performance of workers. It means increase in stressor leads to decrease in the performance of the employees. Salary and Pay Scale has the highest association with employee performance. Except work overload and poor performance evaluation and appraisal system (less coefficient but significant) all other stressors have high coefficient. All stressors are significant at 1 percent level of significance. Thus All work stressors used in this study are significantly and adversely affect the performance of employees.

TABLE 7. CORRELATION MATRIX SHOWING RELATIONSHIP BETWEEN STRESS LEVEL AND WORK PERFORMANCE

		Stress Level	Poor Employees' Performance
Stress Level	Pearson Correlation	1	-.926**
	Sig.		.000
Poor Employees' Performance	Pearson Correlation	-.926**	1
	Sig.	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

This table 7 shows the important negative association between the level of stress and the performance of bank employees. Since the correlation coefficient is 0.926, and p-value is .000 which is less than significance level (.05). Thus it can be claimed that increased stress level increases the risk of decreasing the output of the employees significantly.

Discussion and Conclusion

This study was conducted to explore the strain related issues in the banking industry of Kathmandu valley and examine the factors that play a crucial role in creating stress among the staff of banks similarly as the effect of such stress in their performance. The study result discloses that employment overload was the most important reason behind stress among the staff, which was followed by a lack of job security, poor communication, and work type. It'd be so because employees in Nepalese banks have such a form of culture where they take work as a burden, not as a chance to learn. This finding corroborated with the study findings of Vijayan (2018) who found that job insecurity, role conflict, and low pay are the most important contributors to labor stress and work stress has direct and negative relations with employee performance.

Most of the respondents felt their stress level was severe and extremely few felt that their stress was extreme. Employees who felt an extreme level of stress might leave the banking sector and people who responded to the moderate and severe level of stress might need higher stress tolerance capacity, or they may not have found the alternate job. These findings are according to the findings of Collins (2008) Dar *et al.*, (2011).It may be so because the strain level within the banking sector is high. The financial sector has fierce competition nowadays that the employees of the banking sector have to provide service to the customer longer to avoid loosing their customer base, and that they need to come up with the new services for gaining sustained

competitive advantages. Thus the banking sector has more stress levels across the globe than in other sectors.

Poor performance evaluation and appraisal systems, Salary pay scale, Lack of Motivation, Job Insecurity and Work Type affect the employees' performance adversely. If the employees think that the pay and the work parity has not been made, proper evaluation is lacking and good performers has not been recognized, more work and time is demanded and risky and nature of job is risky and challenging job then they feel more stressed and their performance gradually decreases. This study finding is supported by the studies of Cincotta (2005), Nabirya *et al.* (2011), Johnson *et al.*, (2013), Kazi & Haslam (2013), Farquharson *et al.* (2013), Kazmi *et al.* (2008) and Warraich *et al.* (2014). They confirmed that employment stress is the important predictor of employee performance. It means the performance of the staff will be estimated considering the extent of stress management within the organization. These are the studies conducted in various countries of various status and environment. Thus these factors are the foremost prominent factors all around the world to create work stress.

Independent t-test shows there's no association between gender, and therefore, the level of stress, which suggests that moderating variable gender doesn't influence the extent of stress. This study finding isn't according to the findings of Vijayan (2018). As he found there's a significant difference between age, gender and designation and stress-related factors like work load, job security, and shift work. It may be so because the study was conducted in a developing country where job avenues are more but job avenues within the least developed countries like Nepal is less. Thus the findings of the study is contradicting with each other.

The stress factors taken into consideration in our research had correlational statistics with employees' performance, which suggests an increase in those factors increase the prospect of a decrease in employees' performance. All the stress factors significantly but negatively associated with the employee performance. This research also showed that overall stress level decreased the employees' performance. The results of this study is according to the result as concluded by Rao & Borkar (2012), Imtiaz & Ahmad (2009), Varca (2009), Kazmi *et al.*, (2008) and Joy & Radhakrishnan (2013). This may be due to similarities in working practices in banking sectors over the countries and therefore, the pressure of the external environment to the banking employees to figure more and more service to survive within the market.

Research Implications

This study has theoretical, Managerial and future research implications. They are given below:

Theoretical implication

Such variables were indicated by numerous research in different contexts as stressors and their adverse connection to the job performance of the employees. This research explained the concept established in the past so that the theory can also be applied in the settings of the least developed world.

Managerial Implications

Employees are the most important assets of organizations. Competitive advantages are feasible only with the extensive and unique use of employees. If employees feel stressed, they cannot work properly. Thus, the manager can envisage to this study while developing organizational structure, job design and even allocating the duty, so they'll cut the work load, improve in poor communication, and simultaneously manage the stressors, so they'll increase the performance of the workers.

Future Research Implications

This study is conducted considering the banking industry, but there are number of areas where stress is incredibly high in the Nepalese business sector. So, they'll consider nursing, medicine, hotel and hospitality sector for further exploration of research. The further researchers can have robust study within the same issue taking a sizable amount of samples. Numbers of stressors are identified as a personal and organizational, further researcher can consider other stressor, and have robust study within the field and make more generalizable to the findings of the study.

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