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The Impact of the Level of Job Stress on Employee Job Performance: A Study on Selected Commercial Banks in Colombo District

Prasanna, M.

Abstract

It is evident from observations and through research that employees in every sector of economy are going through a great deal of job stress resulting in deteriorating employee performance, thus affecting the employees themselves, their families and the organizations. Bankers are under a great deal of stress due to many antecedents of stress. One of the affected outcomes of stress is on job performance. As the main objective of this study it examines the relationship between job stress and job performance of executives in commercial banks in Colombo district (Sri Lanka). This study includes one independent variable (Job Stress), one dependent variable (Job Performance) and a moderating variable (Demographic Factors). Survey method was used as the method of data collecting. Population was the executive employees in four selected commercial banks in Colombo district and 248 employees who are randomly selected as sample to attain objectives of the study. Correlation Analysis and Regression Analysis were used to test the research hypothesis. Researcher found that there is no relationship between job stress and job performance of executive employees. Findings revealed that executives are suffering from low level of stress and moderate level of job performance. This study confirmed that job stress is not significantly correlated with job performance. Therefore it can be concluded that job stress is not a significant predictor of job performance.

Keywords: Job Stress, Job performance, Executives, Commercial Bank

Introduction

In today's competitive environment, organizations expand globally and face a lot of challenges to meet their objectives and followed to be more successful from others. In order to attain that organizations push on employees for higher performance. Stress at work is a significance phenomenon of modern life styles (Khalid et al. 2013) and it is induced by work, also it is a universal phenomenon which affects many individuals in a variety of working environments (Analoui & Khoury 2009). Stress at job arises due to clash between the employees' capabilities and job demands (Bhatti et al. 2011). According to the investigation of Muhammad and Usman (2010) it has been revealed that bankers are under a great deal of stress and due to many antecedents of stress such as Overload, Role ambiguity, Role conflict, Responsibility for people, Participation, Lack of feedback, Keeping up with rapid technological change. Mathur et al. (2007) stated that when stress becomes excessive, employees are affected by various symptoms of stress that can harm their performance, health and even threaten their ability to cope up with the environment.

As investigated Ayyuob et al. (2013) stress exists in every organization either big or small the work places and organizations have become so much complex due to which it exists, work place stress has significant effects over the employees' job performance. Today the employees face numerous negative stresses in their day to day life. Some of the outcomes of stress on an organization can include employee job dissatisfaction, absenteeism from the workplace, turnover, decreased performance and reduced productivity and efficiency. According to Jha and Ratnawat (2014) majority of available research and theories about job related stress have been developed and empirically tested in western context. However the problem of job related stress and its consequences is more important for developing countries as these are undergoing enormous social and economic changes (Jamal 1999; Xie 1996; Motowidlo et al. 1986).

The banking industry is becoming more complex and more competitive than ever. Because this sector has greater employment potential, many job opportunities are prevailing with greater responsibilities. In banking industry, especially commercial banks in Sri Lanka are one of the growing sectors in the economy. The total assets of banking sector was contributed by commercial banks as 48.9% and it is an increasing rate of 1% by 2014 compared to 2013 (Central Bank of Sri Lanka 2014). This research is to examine the impact of job stress on job performance of executives in Commercial Banks in Colombo District.

Literature Review and Hypothesis development

Job Stress

Stress is a complex and dynamic concept because it is not tangible so it cannot be explicitly touched (Ambika & Kamalakumati 2013). Researchers have summarized the definitions of stress mainly into three categories: stimulus, reaction and stimulus-reaction (Ivancevich and Matteson 1980; Hsieh 1990 as cited in Lokesh et al. 2014). According to Stephen et al (1998, p. 275) job stress can be defined as “*a dynamic condition in which an individual is confronted with an opportunity, constraint or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important*”

Job performance

Job performance is one of the most important dependent variables and has been studied for a long period of time (Korkaew & Suthinee 2012). Many authors argued that when conceptualizing performance people have to differentiate between an action/behavioural aspect and an outcome aspect of performance (Campbell 1990; Campbellet al. 1993; Kanfer 1990; Roe 1999 as cited in Michael & Sabine 2002). Job performance involves a quality and quantity of outcomes from individual or group effort attainment (Arooba et al. 2014). Bond & Bunce (2000) has defined performance as both behaviour and results. Based on the literature review researcher has developed hypotheses as follows.

H₁: The levels of job stress differ among employees.

It was found that employees of Commercial Bank of Plc (Sri Lanka) in Eastern province mostly experience high level of stress due to organizational stresses which in turn negatively

affect the performance and further it was observed that most of the women suffer more than men in Eastern province (Ambika & Kamalakumati 2013).

H₄: Lower the stress level, higher the job performance of employees.

Ajdari et al (2001) pointed out that lower the stress it increases the performance so both these are inversely proportional each other based on the results of study of the relationship between job stress and performance among the hospital nurses.

H₅: There is a moderating impact of demographic factors on the relationship between job stress and job performance of employees.

According to Spector in 1997 women have higher level of stress than men. In same way Batagoda and Weerasinghe (n.d.) found that female managers have a greater degree of job stress than male managers in domestic commercial banks.

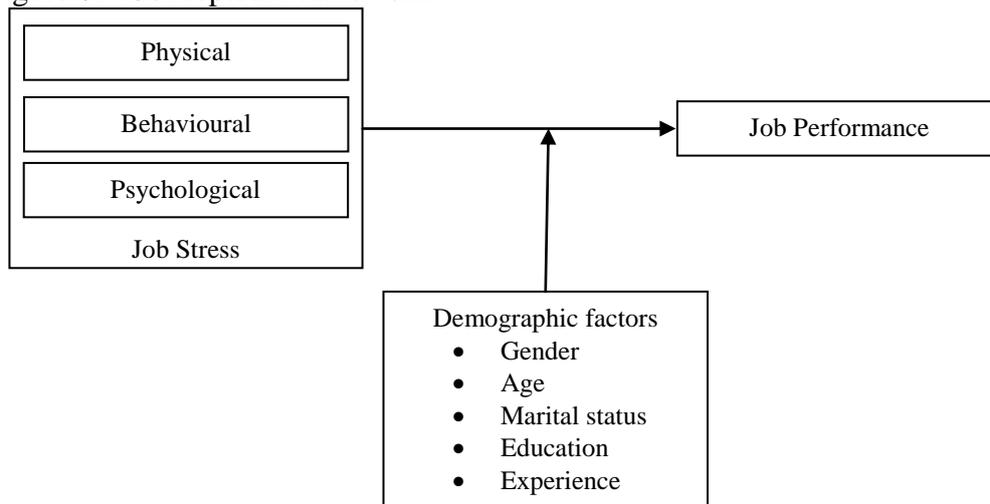
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Method

Sample and data Collection

248 executives in four commercial banks in Colombo District were considered as the sample of the study. Further it included two government commercial banks’ head offices and two privet commercial banks’ head offices. 248 (respond rate 79.03%) questionnaires were taken into consideration for this research.

Figure 01: Conceptual Framework



Scales and Variables

After reviewing the literature Asim (2013), The Counselling Team International 2015, Klemer (2012), Jha and Ratnawat (2014) question items were listed. As a result of it job stress was considered based on three dimensions: physical, behavioral and psychological. All

three dimensions were measured with respect to three indicators for each. Each and every question items were with response range from 5 strongly agree to 1 for strongly disagree which were organized at 5 points Likert scale.

Job performance Udayakumar in 2003 (Cited in Kottawatta 2007) also assessed in terms of three dimensions: traits, behaviors and results. Traits were measured by using five indicators, behaviours were measured by using six indicators and results were measured by using two indicators. All the question items were with response range from 5 strongly agree to 1 for strongly disagree which were organized at 5 points Likert scale.

Five kinds of moderating variables were employed and those were gender, age, marital status, education and experience.

Results

Measurement Validation

Initially a pilot test was conducted using 10 executives from one selected Commercial Banks in Colombo District. The inter item consistency reliability was examined with Cronbach's Alpha test. The results of Cronbach's alpha test are given in Table 1.

Table 1: Reliability Statistics

	Variable	Cronbach's Alpha	No of Items
1	Job Stress	0.841	40
2	Job Performance	0.932	25

Reliability of all the questions was measured through pre-tested questionnaires with the acceptance level of 0.7 which suggests that the internal reliability of each variable is satisfactory as in George and Mallery (2003). None of the items were removed from the original questionnaires since they ensure the internal consistency among statements.

Hypotheses Testing

To identify the relationship between key research variables, correlation analysis was used. It means the hypotheses were tested using the Karl Pearson's Coefficient of Correlation (r) to test the relationship between two variables.

According to Table 2 present the supportive mean, standard deviation and correlation results for each. A significant negative weak relationship was found between job stress and gender ($r = -.254^{**}$, $p < 0.01$) and other moderating variables show relationships as follows: age ($r = 0.0149$, $p < 0.01$), marital status ($r = -0.0021$, $p < 0.01$), educational qualifications ($r = 0.000$, $p < 0.01$), work experiences ($r = 0.051$, $p < 0.01$).

Table 2: Mean, SD and Correlation among Variables

	Mean	SD	1	2	3	4	5	6
Job Performance	3.54387	.379						
Job Stress	2.3904	.471	0.000					
Gender	1.52	.501	-.254**	0.0342				
Age	1.91	.916	0.0149	.256**	0.0420			
Marital Status	1.56	.498	-0.0021	.151*	0.0476	.693**		
Educational Qualifications	2.52	.800	0.000	.259**	0.031	.307**	.293**	
Work Experience	2.34	1.383	0.051	.221**	0.014	.901**	.640**	.262**

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

*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 01

“The levels of job stress are differ among executives in commercial banks in Colombo district, Sri Lanka”

The existing level of job stress was examined through the technique of descriptive statistic of the executives in selected commercial banks and it was the mean value of 2.3904 (Table 4.1). The level of job performance of the executives in selected commercial banks in Colombo district was mean value of 3.5439 (Table 2).

Employees of private commercial banks possess both high level of job stress and job performance as 2.3116 and 3.6668 respectively. At the same time employees of public commercial banks have low level of job stress and job performance as 2.2720 and 3.5605. Therefore it proves that the levels of job stress are differ among executives in commercial banks in Colombo district, Sri Lanka and researcher has fulfilled the objective 01 of the research and also hypothesis 01 is accepted.

Hypothesis 02

“Lower the job stress level, higher the job performance of executives in commercial banks in Colombo district, Sri Lanka”.

In this section, the statistical significance of the relationship is tested to test the strength of relationship using 0.05 significance levels.

Table 3: Correlation between Job Stress and Job Performance

		Job Stress	Job Performance
Job Stress	Pearson Correlation	1	-.289**
	Sig. (2-tailed)		.000
	N	196	196
Job Performance	Pearson Correlation	-.289**	1
	Sig. (2-tailed)	.000	
	N	196	196

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

According to Table 2 there is a significant relationship in-between job stress and job performance since the par value is 0.000. Correlation Coefficient between the job stress and job performance is -0.289, this result shows that there is weak negative relationship between job stress and job performance. Since the founded relationship is statistically proved as

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significant it can be claimed that there is a significant relationship between these two variables.

Hypothesis 03

“There is a moderating impact of demographic factors on the relationship between job stress and job performance of executives in commercial banks in Colombo district, Sri Lanka”.

A series of hierarchical regression was implemented to examine the mediating impact of demographic factors on job stress.

Interaction between job stress and gender accounted for low variance by themselves, R2 change = .005, p = .286, indicating that there is no significant moderation between job stress and gender on job performance of executive employees in banks. In contrast to that interaction between job stress and age accounted for considerable by themselves, R2 change = .017, p = .052, indicating that there is a significant moderation between job stress and age on job performance of executive employees in banks. Interaction between job stress and marital status accounted for low by themselves, since the R2 change = .006, p = .248, it cannot be indicated that there is a significant moderation between job stress and marital status on job performance of executive employees in banks. Interaction between job stress and educational qualifications accounted for considerable variance by themselves, R2 change = .025, p = .017, indicating that there is a significant moderation between job stress and educational qualifications on job performance of executive employees in banks. Interaction between job stress and work experience accounted for considerable variance by themselves, R2 change = .022, p = .026, indicating that there is a significant moderation between job stress and work experience on job performance of executive employees in banks.

Table 4: Hierarchical Regression for Testing Moderation Effect

Variables	Model 01 β	Model 02 β
Constant	4.098	3.854
Step 1		
1. Gender	-.042	-.036
2. Age	.260	.263
3. Marital Status	.151	.151
4. Educational Qualifications	.259	.266
5. Work Experience	.236	.230
Interaction of JS & Demographic Factors		
Step 2		
JS*1		.079
JS*2		.133
JS*3		.079
JS*4		.159
JS*5		.149
R2	.083	.194
Δ R2	.083	.110
Adjusted R2	.079	.168
Δ F	17.615	5.173

Discussion

According to the analyzed data it was found that there is a significant weak negative relationship between job stress and job performance of employees in four selected commercial banks in Colombo district.

Based on the analyses of the data, the following conclusions were drawn. The profile of the majority of respondents were females (51.5%) with the remaining (48.5%) being males. Further it was reported that female employees are suffering more stress than males. The age groups divided in to five ranges and majority of respondents fell in to the age group of twenty to thirty (20-30) years. In considering the marital status of employees married employees were bounded by higher level of job stress (2.3933) compared to single employees (2.3832) and this might have resulted because of the work family interface. Correlation Coefficient between the job stress and job performance is -0.289, this result shows that there is weak negative relationship between job stress and job performance.

Three demographic factors marital status, educational qualifications and work experience reported that there is a significant moderation between job stress and job performance where other two factors age and gender have no significant moderation between job stress and job performance of executives in commercial banks in Colombo district

Conclusion and Implications

According to the survey result job performance of the employee is significantly based on the job stress. Also it was found that job performance of the employee ranked in high level. Therefore it can be concluded that job stress is a major factor which can affect the job performance of the employee. The mean value of the existing level of job stress is moderate and it is a positive level which stimulates the job performance of employees. Improvements of quality as well as friendly environment have led them to possess a moderate level of job stress. As a special point it may be noted that these employees are operating in the financial sector and it is worthy to have a moderate level of job stress. In addition to that since these employees are an educated lot they must be use enough to cope up with such stress problems.

The sample group was 248 (respond rate 79.03%) executive employees in the four selected commercial banks in Colombo district. It was only representative of one particular area and not the entire population which was the Colombo district as a whole. It was unable to collect data from other commercial banks in Colombo district. The population was limited to only four selected commercial banks. It could not apply to other commercial banks in Colombo district. Reason for those limitations was practical difficulty in collecting the data from banking sector. Further, the generalizing the result was the main limitation of this research study.

Likert scale questionnaire was used in this study to collect the data. Job stress is an attitude which bounds to person's mind. It was difficult to measure such perception only using questionnaire. Therefore, if researcher could add some open-ended questions or interview it

would be explained thoroughly respondents' perspectives of that topic. In addition to that it was difficult to explore the psychological factors because of the nature of the sector.

The findings are based on survey data gathered in four selected commercial banks in Colombo district. Therefore results may not applicable to other types of organizations and industries. Within its limitations the researcher has achieved the set objectives and gives directions for future studies as well. Therefore conducting job stress and job performance in Sri Lankan context helps to validate or reject existing findings to a certain extent and this also serves as a medium for future studies. Further investigations in other types of organizations and industries would provide additional insight into the findings of the study.

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Prasanna, M.

Department of Human Resource Management
University of Sri Jayewardenepura
