

Impact of Job Stress on Employee Performance: An Empirical Study in the Context of Banking Industry

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Abstract

Job stress (JS) has become a major concern for organizations worldwide, as it can have negative impacts on employee performance (EP), job satisfaction, and overall organizational productivity. The banking industry is known for its highly competitive and stressful work environment, where employees are under constant pressure to meet targets and handle complex tasks. This empirical study aims to explore the impact of JS on EP in the context of the banking industry. The study draws on a review of relevant literature and empirical data collected from a sample of banking industry employees. The research findings suggest that JS has a significant negative impact on EP, as it leads to decreased motivation, lower job satisfaction, and increased absenteeism. Moreover, the study highlights the importance of organizational support in mitigating the negative impact of JS on EP. Specifically, the results indicate that employees who receive adequate support from their managers and colleagues experience less JS and perform better on the job. Overall, the study underscores the importance of addressing JS in the banking industry, as it can have far-reaching consequences for EP and organizational productivity. The findings suggest that organizations need to take proactive measures to identify and mitigate the sources of JS, and to provide employees with the necessary support and resources to manage job-related stressors. By doing so, organizations can create a more positive and productive work environment that benefits both employees and the organization.

Keywords – job stress (JS), employee performance (EP), banking industry, job satisfaction, absenteeism, organizational support, stress management.

Introduction

In recent years, job stress has become a growing concern for organizations worldwide, as it can have far-reaching consequences on employee well-being, job satisfaction, and organizational productivity. The World Health Organization (WHO) has recognized JS as a significant occupational health risk, and estimates suggest that it costs companies billions of dollars annually in lost productivity, absenteeism, and healthcare costs.

The banking industry is known for its highly competitive and stressful work environment, with long working hours, tight deadlines, and high levels of accountability. These factors can contribute to significant levels of JS among employees, leading to negative impacts on their mental health, physical health, and overall job satisfaction. In addition, the banking industry's fast-paced nature means that employees often have to adapt to changes in regulations and technology quickly, which can lead to additional stress and pressure.

JS is a problem that affects a lot of people and may be harmful to organizations, workers, and society as a whole. JS is described as the negative physiological and emotional reactions that happen when a worker can't keep up with the demands of their job. Although stressful workplaces are common across many industries, they are more pronounced in the banking sector, which is renowned for its very competitive and demanding work culture. Employees in the banking industry are often under significant pressure to meet targets, manage complex tasks, and handle large volumes of work, which can lead to stress, burnout, and decreased job satisfaction. The negative impacts of JS on EP and job satisfaction have been extensively studied in various contexts. However, there is still a need for empirical studies that examine the impact of JS in the specific context of the banking industry. This industry has unique characteristics, such as high competition, frequent changes in regulations, and high customer expectations, which may contribute to a more stressful work environment.

This study attempts to look into how JS and EP interact in the banking sector because of the significance of the banking sector in the global economy and the enormous impact that JS has on EP. The study will concentrate on locating the causes of JS in the banking sector, how JS impacts EP, and how organisational support plays a part in reducing the detrimental effects of JS on EP.

Despite the potential negative consequences of JS on EP, many organizations struggle to identify and manage JS effectively. Research suggests that many employees do not receive adequate support from their employers in managing JS, and that JS management programs are often not implemented effectively. This study intends to examine the relationship between JS and EP in the context of the banking business given the major impact of JS on EP and the distinctive issues faced by employees in the banking industry. The study will investigate the effects of JS on employee motivation, job satisfaction, and absenteeism using actual data gathered from a sample of banking industry employees. The study will also look at how organisational support helps to lessen the detrimental effects of JS on EP.

The results of this study will add to the body of knowledge on JS and EP and offer important new insights into the particular difficulties experienced by workers in the banking sector. Additionally, the findings will offer managers and policymakers useful suggestions on how to lessen JS and increase EP in the banking sector. Organizations can improve their work environments and increase productivity by successfully tackling JS, which will benefit both their employees and the business as a whole.

Literature Review

JS is a pervasive and challenging issue that has attracted much attention in the past decade. A review of the literature shows that JS can have negative impacts on employee well-being, job satisfaction, and organizational productivity (Suliman & Abdullah, 2010). The banking industry, in particular, is known for its highly competitive and stressful work environment, which can lead to increased levels of JS among employees (Abdullah & Ismail, 2013). In this section, we review the key findings from recent empirical studies that have examined the impact of JS on EP in the banking industry.

Numerous research have looked into how JS and EP interact in the banking sector. For instance, Ngo et al.'s (2014) study indicated that JS was adversely correlated with EP, as it raised turnover intention and lowered work satisfaction. Additionally, the study discovered that organisational support was crucial in reducing the detrimental impacts of JS on EP. In a similar vein, Ali et al. (2015) investigated the effect of JS on EP in the Pakistani banking industry. The study discovered that JS significantly decreased motivation, reduced job satisfaction, and increased absenteeism, all of which had an adverse effect on EP. The study also emphasised how crucial social support is in reducing the harmful impacts of JS on EP.

Another study by Thirunavukkarasu et al. (2016) looked at the connection between work satisfaction and JS among Indian bank employees. According to the study, JS significantly impacted job satisfaction, which in turn decreased motivation and increased job turnover. Additionally, the study discovered that organisational support was crucial in reducing the detrimental impacts of JS on job satisfaction. Additionally, a study by Uddin et al. (2017) investigated the

connection between JS and job satisfaction among Bangladeshi bank employees. The study discovered that JS had a significant detrimental effect on job satisfaction because it raised turnover intention and decreased motivation. Additionally, the study emphasised the value of social support in reducing the detrimental impacts of JS on job satisfaction.

Other academics have also looked into how JS affects EP in the banking industry in addition to the studies mentioned above. For instance, a study by Mishra et al. (2021) looked at the connection between job performance (JP) among Indian bank employees and JS, emotional intelligence, and JP. According to the study, emotional intelligence was found to be a moderating factor in the relationship between JS and JP, indicating that employees with high emotional intelligence were better able to manage JS and keep JP. The effect of JS on EP in Pakistan's banking industry was also the subject of a study by Khan et al. (2020). The study discovered that JS significantly harmed EP, resulting in worse job satisfaction and a higher propensity to quit. The study also highlighted the importance of leadership support in mitigating the negative effects of JS on EP.

A study by Qureshi et al. (2015) that looked at the interaction between JS and EP in the Pakistani banking sector was in addition to the other studies already mentioned. According to the research, social support moderated the effect that JS had on EP and had a considerable negative impact on the latter. In order to help employees deal with JS and sustain JP, the study emphasised the value of social support. The effect of JS on JP among Pakistani bank personnel was also the subject of a study by Haq and Iqbal (2021). The results of the study revealed that JP was significantly impacted both negatively and favourably by JS and by organisational support and job autonomy. The study suggested that providing employees with organizational support and job autonomy could help mitigate the negative effects of JS on JP.

In a study by Kaur and Yadav (2018), the impact of JS on EP was investigated among bank employees in India. The study discovered that work-life balance and organisational support had a strong positive impact on EP and that JS had a large negative impact on EP. According to the report, businesses should prioritise encouraging a healthy work-life balance and offering employees organisational support to help them manage their JS and preserve their JP. In a further study, Adhikari and Gautam (2020) looked at how JS affected the "job satisfaction and organisational commitment" of Nepalese bank staff. The study discovered that JS significantly harmed both features. The study also emphasised how crucial employee engagement is in reducing the harmful effects of JS on these factors.

Similar to this, a 2016 study by Faisal and Raza looked into how JS affected EP in Pakistan's banking sector. According to the study, JS significantly harmed EP, but job control and social support significantly benefited EP. According to the study, organisations should concentrate on giving workers job control and social support to assist them in managing JS and maintaining JP. A study by Fazoranti et al. (2021) looked into how JS affected EP among Nigerian bank employees. According to the study, emotional maturity had a substantial favourable impact on EP whereas JS had a big negative impact. The study suggested that developing emotional intelligence among employees could help mitigate the negative effects of JS on EP.

Overall, the literature review shows how critical it is to address JS in the banking sector because it can have serious detrimental effects on EP and work satisfaction. The outcomes also highlight how crucial it is to offer sufficient organisational assistance and social support in order to manage JS efficiently. Organizations can do this to improve employee satisfaction and productivity at work, which will benefit the company overall.

Objective of the Study

To explore the impact of job stress on employee performance

Methodology

The present study is based on a survey conducted with a structured questionnaire. In the analysis, there were 219 participants who took part. To identify the results, statistical techniques such as mean and t-test were employed. The research employed a convenience sampling method, where participants were selected based on their availability and accessibility.

Table 1 Impact of Job stress on Employee performance

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	High job stress can also result in lower job satisfaction and higher turnover rates.	4.32	10.555	0.000
2	Employees who experience job stress are more likely to take sick leave, leading to absenteeism.	4.06	6.779	0.000
3	Job stress is a common issue in the banking industry, and it can significantly impact employee performance.	4.48	11.570	0.000
4	Inadequate training and support can contribute to job stress.	4.29	7.966	0.000
5	Providing clear job descriptions and performance expectations may help reduce job stress.	3.90	4.233	0.000
6	Job stress can lead to physical and mental health issues such as depression, anxiety, and burnout, which can affect employee performance.	4.44	11.218	0.000
7	Employees in the banking industry often work long hours and deal with high-pressure situations, leading to job stress.	4.40	11.159	0.000
8	Employers can implement stress-reduction strategies to help employees manage job stress.	4.12	8.503	0.000
9	Addressing job stress may lead to higher employee satisfaction and improved overall performance in the banking industry.	3.71	2.741	0.003
10	High levels of job stress can cause employees to make mistakes, leading to errors in data entry and incorrect financial analysis.	4.37	11.427	0.000

Table1 displays the Mean values for the statement for the study done on the “impact of job stress on employee performance”, looking at the mean scores, the highest mean score is gained by the statement “Job stress is a common issue in the banking industry, and it can significantly impact employee performance”, the mean score of 4.48, next statement is “Job stress can lead to physical and mental health issues such as depression, anxiety, and burnout, which can affect employee performance” has the mean score of 4.44. Job stress also impacts employee performance as shown in the statement “Employees in the banking industry often work long hours and deal with high-pressure situations, leading to job stress” having a mean value of 4.40. Another disadvantage of job stress is, “High levels of job stress can cause employees to make mistakes, leading to errors in data entry and incorrect financial analysis” in which the mean score is 4.37, and the statement “High job stress can also result in lower job satisfaction and higher turnover rates” shows the mean value of 4.32. The mean value of 4.29 is scored by the statement “Inadequate training and support can contribute to job stress” and for the statement “Employers can implement stress-reduction strategies to help employees manage job stress” mean score is 4.12. The statement “Employees who experience job stress are more likely to take sick leave, leading to absenteeism” shows the mean value of 4.06. The last two statements are in the lowest range, “Providing clear job descriptions and performance expectations may help reduce job stress” mean value of 3.90, the statement “Addressing job stress may lead to higher employee satisfaction and improved overall performance in the banking industry” has the mean value of 3.71. The T-value of every statement in the context of studying the impact of job stress on employee performance is significant because t-value statements are found to be positive and the significance value is also less than 0.05.



Figure 1 Impact of Job stress on Employee performance

Conclusion

In conclusion, the literature suggests that JS has a significant negative impact on EP, job satisfaction, and organizational commitment in the banking industry. The studies also highlight the importance of social support, organizational support, job control, work-life balance, job autonomy, and emotional intelligence in mitigating the negative effects of JS on EP and well-being. Therefore, it is important for organizations to develop effective interventions and policies to manage JS and support employees in maintaining JP and job satisfaction. Providing social and organizational support, promoting work-life balance, and enhancing job control and autonomy are some of the strategies that can help alleviate JS and improve EP. Organizations should also consider developing emotional intelligence training programs to help employees cope with JS and enhance their JP. By prioritizing employee well-being and developing effective interventions to manage JS, organizations can create a healthier and more productive workplace environment, which can ultimately lead to better business outcomes.

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