

WORK STRESS AND EMPLOYEE PERFORMANCE IN BANKING SECTOR EVIDENCE FROM DISTRICT FAISALABAD, PAKISTAN.

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ABSTRACT

Stress is a universal element and individuals in every walk of life have to face it. The employees working in different organizations have to deal with stress. Especially Bankers are under a great deal of stress due to many antecedents of stress. These stresses contribute to decreased organizational performance, decreased employee overall performance, decreased quality of work, high staff turnover, and absenteeism due to health problems such as anxiety, depression, headache and backache. Six components of job stress: Lack of administrative support, excessive work demand, problematic customer relations, coworker's relationship, family & work life balance and risky ness of job were examined in this study. The objective of the study is to explore the stress related problems of bankers and examine the relationship between stress and performance. And finally the impact of stress on employee performance. For this purpose 150 questionnaires were filled by the bankers from the district Faisalabad. The results show that all the components of stress cause great stress in bankers and then decrease their performance. The previous study on banking sector of Pakistan conducted by Usman Basher and Muhammad Ismail showed that job stress signifincently reduce the performance of an individual. Another study on banking sector by jamshed, et al also showed the same results.

Keywords: Job performance, Stress, Banks.

INTRODUCTION

Stress is a Common element in any kind of job and persons have to face it in almost every walk of life. Stress has been defined in different ways over the years. According to Robbins and sanghi (2006) "A dynamic condition in which an individual is confronted with an opportunity, constraints, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important." stress is an increasing problem in organizations and often cause adverse effects on performance. According to Kahn and Quinn (1970) "stress is the outcome of facet of the assigned work role that caused harmful effect for individual. Occupational stress is considered as harmful factor of the work environment." It also has unpleasant effects on health of an individual as David (1998) contributed "it can also be labeled as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs

of the workers. Job stress can lead to poor health and even injury.” According to ILO (1986) “It is recognized world-wide as a major challenge to individual mental and physical health, and organizational health.” Although stress includes both good and bad aspects but it is not necessarily bad. Robbins and sanghi (2006) also contributed “stress is typically discussed in a negative context, it also has a positive value. It is an opportunity when offers a potential gain.” Rubina et al., (2008) contributed the same “Stress is not always negative or harmful and indeed, the absence of stress is death.” But it still has destructive impact on employee performance. According to Usman and ismail (2010) “One of the affected outcomes of stress is on job performance.” so it needs to be studied. The purpose of study is

- (a) To explore the stress related problems of bankers.
- (b) To examine the relationship of stress and performance.
- (c) To suggest the measures for stress tolerance and to enhance work performance.

LITERATURE REVIEW

An individual in his or her job in bank face stress as Jamshed et al.,(2011) suggested “The workplace is potentially an important source of stress for bankers because of the amount of time they spent in their respective banks.” And that stress often decrease their performance. “Therefore occupation of individuals could be a major source of stress in the given circumstances. When individuals face stress due to various conditions of their occupation and fail to cope with stress, it results into burnout,” (ibdm). Basically in banking sector lack of administrative support from boss(manager), work overload & time pressure, risky ness of job, poor relationship with customers & coworkers, and work family balance cause stress which in turns decrease employee performance. The same was contributed by Materson (1980) “Causes of stress are many like work load, cuts in staff, change at work, long work hours, shift work, lack of supervision, inadequate training, inappropriate working conditions, too heavy responsibilities and poor relations with colleagues.” The same was identified by Ganster & Loghan, (2005) “huge and multi fields literature points a lot of key factors such as work environment, management support, workload etc in determining how stressful the work can be and its effect on employee physical and mental health.”

In banking sector particularly higher management doesn't realize the impact of stress on employee performance which ultimately results in critical managerial dilemmas as Subha and shakeel (2009) described “Higher level of stress existed with no managerial concern for solution consequently lowering the employee performance, staking organizational reputation and loss of skilled employees, these situations call for immediate concern from organization management for employing effective stress management practices to increase employee satisfaction and overall employee performance.” Work overload & time pressure to complete too much work in short span of time is big source of stress which decrease the performance of employees as Babak et al.,(2010) studied “With excessive pressures, the job demands cannot be met, relaxation turns to exhaustion and a sense of satisfaction replaces with the feelings of stress, motivation sheds away and the workers start losing interest in the work and hence performance chart shows a negative trend.”

The performance of individuals also decreased when stress is caused by inability of individual to maintain a reasonable balance between family life and work life as he/she has to spend a lot of time in his/her working. McCubbin & Figley (1983) suggested that “Job related stress can be mostly immobilizing because of its possible threats to family functioning and individual performance. Job related stress can create a difference between demands on families and the ability of families to provide material security for them.” And that inability to maintain a reasonable balance between family life and work life results in work to family conflict which in turn cause stress and ultimately decreases the employee performance. According to Anderson (2002) “work to family conflicts is also a predecessor which creates stress in employees of an organization.” In banks the poor relationship among employees often cause stress and have adverse effects on the performance of employees. Lack of social support from colleagues and poor interpersonal relationships can cause stress especially among employees with a high social need. Margot Shields(2006) suggested. “different sources of work stress do not occur in isolation but indeed interact with one another.” Stress caused by degree of involvement in decision making is a big

source of decrease in performance of individual as Meneze (2005) described “Misfit with organization, no part in decision making, were reported main causes of stress as well no control over work environment, personality traits, lack of relaxation along with ambiguous rules affect employees performance.” The nature of job in banking sector is too much risky. There is operational risk involved in transactions which always put pressure on employees to avoid wrong entries. The employees in return feel job insecurity which cause great stress on them. jungwee park (2007) contributed “Physical exertion and job insecurity can also cause stress.” so job insecurity is also a major cause of stress on the job that negatively affect the performance of employees in the banking sector.

METHODOLOGY

Employee performance has been taken as dependent variable. Moderating variables are lack of administrative support, excessive work demand, problematic customer relations, coworker’s relationship, family & work life balance and risky ness of job. And job stress has been taken as independent variable. The main purpose of the study is to identify the factors contributing job stress and the relationship between job stress and employee performance. Bank employees in this study refer to Brach level Managers, operational managers, supervisors and officers (credit officers, remittance officers, customer services officers and relationship officers). To achieve the objectives of the study 150 surveys were sent (through questioners) to 10 larger banks having branches in district Faisalabad. And all the banking companies are listed at Karachi stock exchange of Pakistan. The data were collected from following banks, The Bank of Punjab, MCB ,HBL, Habib Metro Politon Bank limited, Bank al Habib, Meezan bank, SILK bank, Allied bank, Askari Bank and Bank Alfalah. All the employees were aged between 20 to 60 years. Therefore 144 questionnaires were returned having response rate of 96%. The questionnaire using 5-Scale Likert (1=Highly Disagreed, 2=Disagreed, 3=somewhat Agreed, 4=Agreed, 5=Highly Agreed) was design to test the impact of all the variables. For this study the questionnaire is divided into 2 sections demographics and job stress & its impact on employee performance. The questionnaire cover all the variables such as lack of administrative support, excessive work demand, problematic customer relations, coworker’s relationship, family & work life balance and risky ness of job. The data was analyzed through SPSS v.19.

SAMPLE CHARACTERISTICS

The Tables below summarize the respondents’ characteristics according to their gender, age, qualification, working positions, experience and income. Male bank employees made the healthy proportion of the sample size. About 75.6 % of the respondents were under 35 years of age. 60.4 % of respondents having Master’s degree. 12.5% respondents were branch level managers, 13.9% manager operations, 8.3% were supervisors and 65.3% were officers, majority of which has income range from Rs.21,000 to Rs. 40,000. All the respondents were taken from branch level operations. .

Table I: Respondent’s gender.

	Frequency	Percent	Cumulative Percent
Male	110	76.4	76.4
Female	34	23.6	100.0
	144	100.0	

Table II: Respondent’s Age.

	Frequency	Percent	Cumulative Percent
Less than 35 yrs	109	75.6	75.6
35 to 44 yrs	26	18.1	93.7
45 to 54 yrs	6	4.2	97.9
More than 55 yrs	3	2.1	100.0
	144	100.0	

Table III: Respondent's marital status.

	Frequency	Percent	Cumulative Percent
Married	90	62.5	62.5
Single	54	37.5	100.0
	144	100.0	

Table IV: Respondent's qualification.

	Frequency	Percent	Cumulative Percent
Graduation	50	34.7	34.7
Masters	87	60.4	95.1
MS/M.phil	7	4.9	100.0
PhD	0	0	
	144	100.0	

Table V: Respondent's nature of the job contract.

	Frequency	Percent	Cumulative Percent
Permanent	122	84.7	84.7
Temporary	22	15.3	100.0
	144	100.0	

Table VI: Respondent's working position.

	Frequency	Percent	Cumulative Percent
Officer	94	65.3	65.3
Supervisor	12	8.3	73.6
Operation manager	20	13.9	87.5
Manager	18	12.5	100.0
	144	100.0	

Table VII: Respondent's income range.

	Frequency	Percent	Cumulative Percent
Less than 20,000	45	31.3	31.3
21,000 to 40,000	73	50.7	82
41,000 to 60,000	16	11.1	93.1
More than 60,000	10	6.9	100.0
	144	100.0	

Table VIII: Respondent's Area of Responsibilities.

	Frequency	Percent	Cumulative Percent
Customer services	26	18.1	18.1
cash operation	32	22.2	40.3
Remittances	15	10.4	50.7
Credit management	18	12.5	63.2
Accountancy	13	9.0	72.2
Marketing	15	10.4	82.6
Others	25	17.4	100.0
	144	100.0	

Table IX: Respondent's working experience in the organization.

	Frequency	Percent	Cumulative Percent
Less than 5 yrs	103	71.2	71.5
5 to 10 yrs	27	18.7	90.2

11 to 15 yrs	7	4.9	95.1
More than 15 yrs	7	4.9	100.0
	144	100.0	

GENERAL FINDINGS

Does your educational qualification suits your job?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	S.Agree	40	27.8	27.8	27.8
	Agree	55	38.2	38.2	66.0
	Some How	32	22.2	22.2	88.2
	Disagree	11	7.6	7.6	95.8
	S.Disagree	6	4.2	4.2	100.0
	Total	144	100.0	100.0	

The above table shows that 27.8% Strongly agreed, 38.2% agreed, 22.2 somehow agreed that their qualification suits with their job. Only 7.6% disagreed , 4.2% strongly disagreed and said that their educational qualification does not suit with their job which cause stress to them.

Lack of administrative support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	S.Agree	27	18.8	18.8	18.8
	Agree	52	36.1	36.1	54.9
	Some How	40	27.8	27.8	82.6
	Disagree	16	11.1	11.1	93.8
	S.Disagree	9	6.3	6.3	100.0
	Total	144	100.0	100.0	

From the above table it is clear that lack of administrative support causes stress and the performance of the respondent decreases as the 18% respondent were strongly agreed, 36% were agreed and 27% were somehow agreed that lack of administrative support cause stress which in turns decrease their performance. 11% were disagreed and only 6% were strongly disagreed with that.

Work overload and time pressure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	S.Agree	31	21.5	21.5	21.5
	Agree	53	36.8	36.8	58.3
	Some How	32	22.2	22.2	80.6
	Disagree	20	13.9	13.9	94.4
	S.Disagree	8	5.6	5.6	100.0
	Total	144	100.0	100.0	

The results are clearly indicating that significant majority of respondent were agreed(21% were strongly agreed, 36% were agreed and 22% were somehow agreed) that work overload and time pressure is a big source of stress in their job and also leads towards decreased performance. While 13% were disagreed and 5% strongly disagreed.

Problematic Customer relations

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid S.Agree	21	14.6	14.6	14.6
Agree	32	22.2	22.2	36.8
Some How	53	36.8	36.8	73.6
Disagree	27	18.8	18.8	92.4
S.Disagree	11	7.6	7.6	100.0
Total	144	100.0	100.0	

Due to operational risk a banker often face problematic customer relations which cause stress. 14% were strongly agreed, 22 % were agreed and 36% were somehow agreed that problematic customer relations caused stress and the performance of the respondent decreased. 18 % were disagree and only 7% strongly disagreed with that.

Coworkers Relation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid S.Agree	19	13.2	13.2	13.2
Agree	55	38.2	38.2	51.4
Some How	60	41.6	41.6	93
Disagree	7	4.9	4.9	97.9
S.Disagree	3	2.1	2.1	100.0
Total	144	100.0	100.0	

The above table clearly demonstrates that coworker’s relations caused stress to employees working in bank.13% respondent were strongly agreed, 38.2% agreed and 41.6 %were somehow agreed that the lack of social support from colleagues and poor interpersonal relations cause stress and they feel inconvenient to work with them and hence their performance decreased. only 10% were disagreed with it.

Riskiness of job

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid S.Agree	23	16.0	16.0	16.0
Agree	34	23.6	23.6	39.6
Some How	50	34.7	34.7	74.3
Disagree	27	18.8	18.8	93.1
S.Disagree	10	6.9	6.9	100.0
Total	144	100.0	100.0	

As in bank there is operational risk is involved while employees are working. Due to online system of transactions employees have to be careful while entering account details especially the amount of the transaction. Because once the data entered the transaction becomes online countrywide, thus any negligent act leads towards penalty to employees. So this operational risk becomes a constituent of stress in employees working in bank as in above table majority of the respondents agreed that risky ness of the job cause stress and ultimately decrease their performance.

Family and work life Relation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	S.Agree	28	19.4	19.4	19.4
	Agree	40	27.8	27.8	47.2
	Some How	52	36.1	36.1	83.3
	Disagree	18	12.5	12.5	95.8
	S.Disagree	6	4.2	4.2	100.0
	Total	144	100.0	100.0	

Due to work over load the bankers have to spend extra time apart from their working hours so they are unable to manage work and family life properly that causes stress in them as the significant majority of respondents were agreed with that (19% were strongly agreed, 27% were agreed and 36% were somehow agreed). 18% respondents were disagreed and 6% were strongly disagreed with that.

Overall job stress

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	S.Agree	55	38.2	38.2	38.2
	Agree	40	27.8	27.8	66.0
	Some How	32	22.2	22.2	88.2
	Disagree	10	6.9	6.9	95.1
	S.Disagree	7	4.9	4.9	100.0
	Total	144	100.0	100.0	

The above table demonstrates that 38.2% respondents were strongly agreed that their job is stressful, 27.8% were agreed and 22.2% were somehow agreed with that. Only 6.9% were disagreed and 4.9% were strongly disagreed and said their job is not stressful.

What you Feel while you are on your job? (Tick one)

	Frequency	Percent	Valid Percent	Cumulative Percent
Aggressive and depressed	68	47.2	47.2	47.2
Lazy boredom and headache	16	11.1	11.1	58.3
Deficiency in work	27	18.8	18.8	77.1
You do the best possible job	10	7.0	7.0	84.1
Motivated, productive and creative.	8	5.6	5.6	89.7
Better handle the situation	5	3.5	3.5	93.2
Enjoy work	4	2.7	2.7	95.9
Stay calm	6	4.1	4.1	100.0
Total	144	100.0	100.0	

The above table shows what the respondents feeling while they were on their job. The data indicated that 47.2 % of the respondents feel depression and become aggressive.11.1% become lazy and suffered from headache. The 18.7 % of the respondents did feel deficiency in work. So an enormous majority did feel stress and their performance decreased. Only 6.9 % respondents do their best possible under stress. 5.5 % become motivated and more productive in stressed environment. It was further envisaged from data that 3.7 % respondents better handle the situation under stress, 2.7 % Enjoy work and 4.2 % respondents Stay calm and said that they never felt stress.

Correlations

		Does your educational qualification suits your job?	Lack of administrative support	In time Work	Riskiness of job	Problematic Customer	Coworkers Relation	Family and work life Relation	Overall job stress
Does your educational qualification suits your job?	Pearson Correlation	1	.915(**)	.929(**)	.900(**)	.902(**)	.794(**)	.904(**)	.961(**)
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	144	144	144	144	144	144	144	144
Lack of administrative support	Pearson Correlation	.915(**)	1	.965(**)	.922(**)	.912(**)	.852(**)	.954(**)	.908(**)
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	144	144	144	144	144	144	144	144
Intime Work	Pearson Correlation	.929(**)	.965(**)	1	.916(**)	.908(**)	.828(**)	.934(**)	.915(**)
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	144	144	144	144	144	144	144	144
Risky ness of job	Pearson Correlation	.900(**)	.922(**)	.916(**)	1	.980(**)	.850(**)	.929(**)	.912(**)
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	144	144	144	144	144	144	144	144
Problematic Customer	Pearson Correlation	.902(**)	.912(**)	.908(**)	.980(**)	1	.847(**)	.917(**)	.908(**)
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	144	144	144	144	144	144	144	144
Coworkers Relation	Pearson Correlation	.794(**)	.852(**)	.828(**)	.850(**)	.847(**)	1	.872(**)	.789(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	144	144	144	144	144	144	144	144
Family and work life Relation	Pearson Correlation	.904(**)	.954(**)	.934(**)	.929(**)	.917(**)	.872(**)	1	.897(**)
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	144	144	144	144	144	144	144	144
Overall job stress	Pearson Correlation	.961(**)	.908(**)	.915(**)	.912(**)	.908(**)	.789(**)	.897(**)	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	144	144	144	144	144	144	144	144

The above table confirms that all job stress attributes (educational background, lack of administrative support, work overload and time pressure, risky ness of job, problematic customer relations, co-worker relations and family & work life relations) are positively associated with overall job stress. Employees education shows the highest positive correlation ($r = .961$) with job stress and work overload demonstrates the second highly positive correlation ($r = .915$) with job stress, followed by risky ness of job ($r = .912$), lack of administrative support ($r = .908$), problematic customer relations ($r = .908$), family and work life relations ($r = .897$) all have positive association with job stress. Co-worker relations reveals the least but positive correlation ($r = 0.789$) with job stress.

REGRESSION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967(a)	.935	.932	.299

The value of R in the table is .967, and R square is .935. The value of R shows significantly positive relationship between variables (educational background, lack of administrative support, work overload, risky ness of job, problematic customer relations, co-worker relations, family and work life relations) and overall job stress. The value of R square shows that model 1 explains 93% variance in overall job stress.

CONCLUSION

Majority of the bankers felt that their job is stress full and that stress in return decreases their performance. Work overload, risky job and poor co-worker relations were the major contributor to job stress in bankers. Due to work overload and time pressure the bankers are unable to manage work life with family life which cause some serious social problems. Therefore the overstressed job decreases employee performance and perhaps a chief contributor to employee dissatisfaction. Proper strategies should be made regarding working hours, interpersonal relationships and supervision of bankers to reduce stress and to better manage the performance of employees in banking sector.

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