

## **IMPACT OF WORK STRESS ON JOB PERFORMANCE OF EMPLOYEES IN BANKING SECTOR OF PAKISTAN**

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### **Abstract**

Banking sector of Pakistan has been showing tremendous growth from last decade. The growth of banking sector largely depends on performance of employees. Remarkable performance is good sign for economy of country but there is a chance of drastic change in growth rate of banking sector as employees are feeling too much work stress. Work stress has been affecting their performance, health and personal life. The study is designed to analyses the pressure of work on employees in banking sector of Pakistan. Work load, working hours and work-family conflict are taken as parameter of work stress. Data is collected from 300 employees of bank through questionnaire. The result shows that employees are not satisfied with their work load and working hours. They also believe that work stress is effecting on their personal life.

**Keywords:** Work stress, job performance, banking sector

### **1. INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

In 21<sup>st</sup> century, digitalization and reorganization of different sectors are putting lot of pressure on employees same as in banking sector. Globalization has been bringing changes in every sector of economy and banking sector shows several evidences of its evaluation modernization, increasing competition, mergers and acquisitions, policies of government, outsourcing and downsizing of employees etc. are creating stress on

employees. Researches in banking sector hardly pay attention on health of employees. Management consider different problems in working condition but does not pay much attention on mental health of employees and they suffer from work stress. Results of different studies demand to pay attention on this issue therefore this study has been designed to analyses the work stress in banking sector of Pakistan. According to WHO work stress can be defined as “the response of employees may have when presented with demand and pressure of work that are not matched with their knowledge and abilities and whichchallenge their ability to cope”

### **1.1 RESEARCH PROBLEM**

Employees are most import asset of organization and their efficiency play vital role of success of organization. Banking sector is enjoying tremendous growth but employees are not satisfied with work load and felling much stress. Comfortable working environment create peace of mind and bring positive energy therefore, management should consider the problems of employees. The study analyses the different parameter of work stress which are work load, working hours, work- family conflict and relation with other employees. As stress can damage health of employee and mental pressure increases errors at work place. Inefficiency, demotivation, disputes among employees and poor job performance can damage reputation of bank and adverse effect on profit. This research gives an idea to management about reshaping bank's policies to provide smooth working environment.

### **1.2 OBJECTIVES OF THE STUDY**

- To examine the effect of work load on job performance of employees
- To examine the effect of working hours on job performance of employees
- To examine the effect of relation with coworkers on job performance of employees
- To examine the effect of work-family conflict on job performance of employees

### **2. REVIEW OF LITERATURE**

Technological changes in world effect on many sectors of economy and banking sector also restructured by it. New technology, working conditions and job tasks have been significantly reshaping job designs and work load of employees. Job performance of employees which is result of motivation and working conditions is also effected. Giga & Hoel (2003) identified different factors for work stress e.g. pressure of time, conflict roles, problem with ergonomics and demand of work etc. A research conducted by Silva& Navarro (2012) analyzed that working environment of bank is changed from past and now it is completely redesigned. These

changes effect on performance and their personal lives and inserted work stress on employees. In 2015, Hantzaroula identified three characteristics unemployment, intensification of labor rhythm and precariousness of work. Jinkings (2004) & Adrian and Ashcraft (2016) conducted a research and concluded that new century banking is entirely different from past and employees are now

seller of bank products, therefore their task are redefined. Employees work with customers and try to achieve bank's targets. Restructuring of banking sector modified working conditions and health and performance of employees too. In form of increasing pressure, hypertension and stress in environment of bank (Silva & Navarro(2012)). Michalidis and Georgiou (2005) identified that employment in bank is stressful job. The National institute of occupational safety and health suggested that insufficient control on job is leading factor for stress. When employee feel that job is trap and there is no place to escape then they become dishearten. Some employees feel own self as machine not as human. There are many consequences of work stress

e.g. poor performance, absenteeism, high turnover and disputes among workers. Some researchers (Godin (2005), stansfeld and candy (2006) and Bhagat (2010) reinforced the concept of work stress as disease promoter, placing worker's health at risk, damaging their social lives and lead toward inefficiency of employees. Poor job performance, lack of motivation in work, employee turnover and conflict at work place are result of work stress.

### **2.1 Work Stress**

Work stress create pressure on employees it effect on mental health of employees. Most of researchers consider that work stress in extra demand of efforts at workplace from employees. In 2013-14 British economy faced the loss of 14 billion pounds due to stress among employees. Rate of accidents and injuries also alarming as a research report by Health and safety department claimed 740 incidence per 100,000 employees in year 2015 in United Kingdom. Work load, long working hours and burden of balance between family &work lead towards stress. It also create more interpersonal conflict inside and outside the organization. Theoretical models of stress emphasis on individual's response towards stressor, working environment of organization, relationship among employees and behavior of top management. Stress is outcome of imbalance between perception of extra demands and resources. Kiman and Jones concluded that different personal, social and work related aspects generate stress. However, all above discussion provide the importance of study which analyses the effect of stress on performance.

## **2.2 Job Performance**

Organization can achieve their objective by efficient workforce. Physical and mental health of employees are mandatory for good performance. Environment of organization influences on performance e.g. good communication network, relation among employees, balanced work load,

flexible working hours and problem solving attitude of management etc. all create peaceful climate inside the organization. Job performance is influenced by many factors such as abilities of employees, experience of job, ergonomics and working conditions of organization. Saeed R, Mussawer S, Ldhi R.N, and Iqbal A (2013) studied banking sector of Pakistan and highlighted these factors for poor job performance bad working condition, unpaid working hours, communication barriers and stress. Other researchers indicate unclear role, heavy work load, poor leadership of management and discrimination among employees also put adverse effect on performance of banking sector employees

## **2.3 Working Hours**

In past, there was limited bank hours for employees although banks deals with customers from 9.00 am to 5 pm (Sunday off & Saturday few branches deals with customers) but these timing are not for employees. They arrive at 8.30 am but usually stay till 9pm or more. Most importantly, these working hours are unpaid. Unfortunately there is no lunch break for employees of bank .They can avail only Friday prayer break. In closing dates (end of June & December) employees spend nights at banks but they do not get any vocation for these extraordinary working hours. Employees who are related with ATM are at worsen conditions they have to fill cash at any time. They are bound to receive calls from bank, take cash from head office and fill in machine 24/7. It is also dangerous as they can be robbed or killed. Data which is collected through questionnaire clearly indicate that employees are not highly satisfied with their working hours. Table 1 shows the level of satisfaction among employees and around 65% (33.3 +32.3) are at average level of satisfaction. It shows that employees believe their working hours should be changed. The mean -0.29 also indicates that majority lies between high level to average level of satisfaction. Only 6.6% are highly satisfied which is very minimal and management should make policies to raise the number of highly satisfied employees. Many researchers suggest that satisfied workforce is most valuable asset of organization.

**Table 1 Level of satisfaction regarding working hours**

	<b>Working hours</b>		<b>Employees</b>		<b>Percentage</b>
<b>S.no</b>	<b>Characteristic</b>	<b>Code(a)</b>	<b>f(b)</b>	<b>Fx (a*b)</b>	
1	Very high	-2	20	-40	6.66
2	High	-1	45	-45	15
3	Average	0	100	0	33.3
4	Low	1	97	97	32.3
5	Very low	2	38	76	12.6
	Total		300	-88/300	
	fx/x			-0.29	

#### **2.4 Work Load**

A survey conducted in Australia in 2002 claimed that over a decade banking industry changed and lives of employees too. Work load increased by 77%, higher sale targets 76% and work pressure is increased by 69%. Another study by Smith et al., 1999 concluded that work load and poor job design can contribute health issues

e.g. visual, shoulder, neck and joint pain etc. can be reason of distress at work place. Vahtera & Pentti (1999) related workload with autonomy and suggested that little autonomy and high work load are the reasons of stress. Data collected from questionnaire indicates that employees are not satisfied with work load and only 9.3% are highly satisfied while 13% are just satisfied from their burden of responsibilities. 36.3% are not much satisfied not much dissatisfied and other 41% (29.6%+11.6%) are dissatisfied and these are not ignorable number. As above discussion it is clear that around 77.5% (41%+36.3%) are not much satisfied with their work load. They feel management put too much pressure on them and their task and duties are more than enough. Mean value 0.21 also lies between average level of satisfaction to low level of satisfaction

**Table 1 Level of satisfaction regarding work load**

	<b>Work load</b>		<b>Employees</b>		<b>Percentage</b>
<b>S.no</b>	<b>Characteristic</b>	<b>Code(a)</b>	<b>f(b)</b>	<b>fx (a*b)</b>	
1	Very high	-2	28	-56	9.33

2	High	-1	39	-39	13
3	Average	0	109	0	36.3
4	Low	1	89	89	29.6
5	Very low	2	35	70	11.6
	Total		300	64/300	
	fx/x			0.21	

## 2.5 Work-family Conflicts

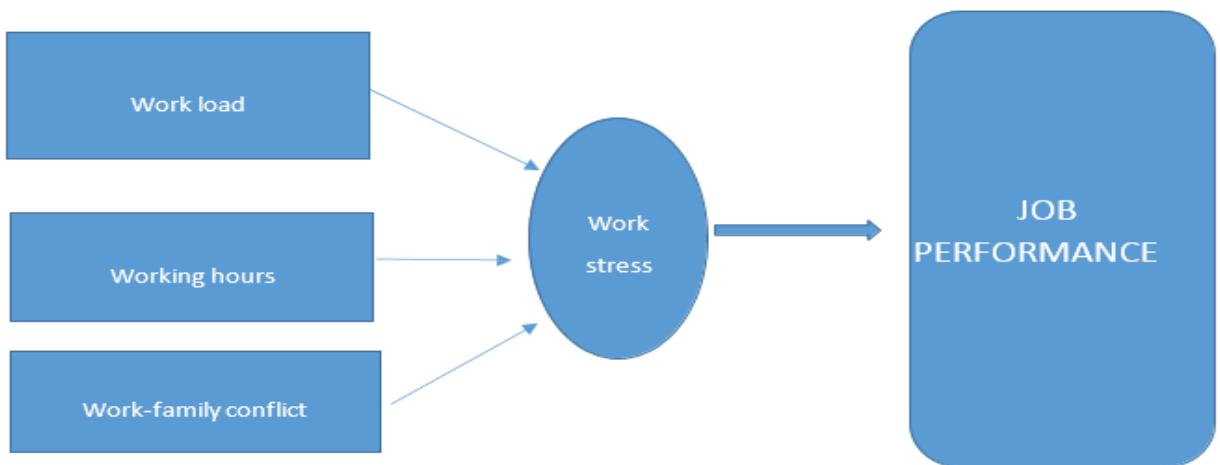
Every human being wants to enjoy life and balance between work and personal life. Most of Pakistani people live with their families either parents & sibling or spouse & kids. They have social circles and commitment. Employees prefer to work from 9 am to 5pm but not beyond it. During research it was observed that most of employees were unable to balance their job tasks and personal responsibilities from families. Some of them face family conflict and few got divorced just because of their jobs. Data shows around 61.6% (36.6%+25%) faces difficulties frequently due to long stay at bank. They cannot attend family gathering and other social gathering. Only 18% (10%+8%) are satisfied from bank timings and rarely feel any disturbance in personal life but majority are not satisfied. -0.71 mean also indicates that majority of employees are lying between always and often feeling disturbances.

**Table 3. Disturbance in Personal life due to long working hours**

S.no	Personal Life Disturbance	Employees			Percentage
		Code (a)	f(b)	fx (a*b)	
1	Always	-2	110	-220	36.6
2	Often	-1	75	-75	25
3	Sometimes	0	59	0	19.6
4	Rarely	1	30	30	10
5	Never	2	26	52	8.6
	Total		300	213/300	
	fx/x			-0.71	

Aryee (1992) suggested that work life and problems in life because of job can't be ignored and it impacts on performance of employees. According to the findings of Greenhaus & Beutell (1985) that married employees have more responsibilities and commitments. When employees bring job assignment, problems and stress at home then their quality of family time adversely effected. (Hammer L.2003)

## **2.4 CONCEPTUAL FRAMEWORK**



## **2.5 HYPOTHESIS**

- H1:** There is significant relation between work stress and job performance
- H2:** There is significant relation between work load and job performance
- H3:** There is significant relation between working hours and job performance
- H4:** There is significant relation between Work family conflict and job performance
- H5:** There is significant relation between working hours and job stress.
- H6:** There is significant relation between work load and job stress.
- H7:** There is significant relation between work family conflict and job stress.

## **3. RESEARCH METODOLOGY**

### **3.1 DESIGN OF RESEARCH**

State bank of Pakistan is central bank of country and allow banks to work in Pakistan. For the present study banks are selected from list of scheduled banks by SBP. It categorized banks in different domain public, private, foreign and specialized. 75 employees from each category is selected for research. Total 300 employees are contacted for filling the questionnaire at their work place.

### **3.2 PROCEDURE**

Top five banks of Pakistan are selected on the basis of profitability of year 2019 which are as follows

1. National Bank of Pakistan
2. Muslim commercial bank
3. Meezan Bank
4. United bank Limited
5. Standard chartered

These banks are enjoying the profitability and top position in banking sector. Questionnaire is provided to employee at bank and requested to fill it voluntary basis.

### **3.3 SAMPLING**

There are more than 10,000 employees are working in banking industry. Creative research system advices 300 sample size with confidence level 95% and confidence interval is 5.5%.

### **3.4 INSTRUMENTS FOR RESEARCH**

The research study is designed on ordinal scale based questionnaire. Employed are selected on stratified sampling.

Questionnaire focus on the following aspects

- Response of employees about work load
- Response of employees about working hours.
- Response of employees about work-family conflict because of job in bank
- Response of employees about working environment of bank.

## **4 ANALYSIS AND FINDINGS**

The findings and discussion segment was divided into three parts. the first section's item evaluations' model fit, validity, and reliability. The structural model was covered in the second segment. Finally, it is looked at how work stress in bank affects job performance on a direct, indirect, mediating, and overall basis. Researchers employed the structural equation model (SEM) and Smart PLS program to continue testing in order to evaluate the study's hypotheses. The analysis was done in order to assess both the indirect and direct results of the constructs. The use of the (SEM) structural equation model has been identified as the primary strategy employed in numerous regression methods and approaches (Barron & Kenny, 1986).

### **4.1 Confirmatory Factor Analysis**

Findings in social science are most frequently investigated using the core approach of factor analysis known as confirmatory factor analysis (Brown, 2015). It is used to assess how well a construct's measurements match the author's understanding of the core ideas behind the concept. the empirically demonstrated discriminating validity of the various construction variations. Given that the loading minimum value of the variable is bigger than for the other 0.70 objects, convergent validity measurements in the collection of specifications must be greater than other loads of other constructs

(Hair, Sarstedt, Matthews, & Ringle, 2016). Five (5) indicators are more accurate than 0.50, which means they are relevant to consumer emotion loadings and no values are eliminated. Additionally, the tables revealed that the price of the three (3) music loading indicators is in fact higher than 0.50, demonstrating the accuracy of the measurements. Additionally, five (5) WS and WL metrics that demonstrate the constancy of values greater than 0.5 are presented in the tables. Additionally, all four JP and WH meaning indices are higher than 0.5, indicating the accuracy of the readings.

**Table 4. Confirmatory Factor Analysis**

	Job Performance	Work Stress	Working Hours	Working Load	Work-Family Conflict
JP_1	0.841				
JP_2	0.867				
JP_3	0.766				
JP_4	0.856				
WS_1		0.915			
WS_2		0.898			
WS_3		0.824			
WS_4		0.866			
WS_5		0.876			
WH_1			0.829		
WH_2			0.903		
WH_3			0.874		
WH_4			0.891		
WL_1				0.931	
WL_2				0.911	
WL_3				0.918	
WL_4				0.879	
WL_5				0.888	
WFC_1					0.888
WFC_2					0.888
WFC_3					0.809
WFC_4					0.844

#### **4.2 Validity of Convergence**

Table 5 shows that all of the CR and AVE measures are more than 0.50, which is implied by (Kline, & Rosenberg, 2010). Furthermore, the construct's AVE loadings exceed the minimum value of 0.50, indicating the construct's convergent validity (Hair, Celsi, Ortinau, & Bush., 2010). The AVE values in the preceding table are

more than 0.5, indicating that convergence validity is confirmed by the values. The levels of interaction in at least two measures of a similar concept are referred to as internal consistency (Carmines and Zeller, 1979). Hair et al. (2010) claim that the CR values are appropriate in relation to the predetermined threshold of 0.70. An element's composite dependability ranges from 0.85 to 0.94. The table shows how accurate the building's internal stability calculation is. Even further evidence of convergent validity is provided by the table, which shows the average variance of findings achieved above 0.5.

**Table 5. Convergent Validity Test Results**

	<b>Cronbach's Alpha</b>	<b>rho_A</b>	<b>Composite Reliability</b>	<b>Average Variance Extracted (AVE)</b>
<b>Job Performance</b>	0.853	0.861	0.901	0.695
<b>Work Stress</b>	0.924	0.926	0.943	0.768
<b>Working Hours</b>	0.897	0.901	0.929	0.736
<b>Working Load</b>	0.945	0.945	0.958	0.765
<b>Work Family Conflict</b>	0.881	0.893	0.918	0.736

#### **4.3 Discriminant Validity**

Establishing if a reflective measurement item has the strongest correlation with its markers inside the PLS path model (e.g., when compared to all other measurement items) is the aim of the discriminant validity evaluation (Hair et al., 2016). Fornell and Larcker (1981) claimed that each observed variable's discriminant validity could be established using the average variance extracted square root. Throughout their investigation into test reliability, Campbell and Fiske established the concepts of discriminant validity. The value required for discriminant validity in this study is more than 0.50, and values higher than 0.50 are displayed for all indicators. A significant level of discrimination between the variables is present if the value of discriminant is less than 0.50.

**Table 6. Discriminant Validity Test Results**

	<b>Job Performance</b>	<b>Work Stress</b>	<b>Working Hours</b>	<b>Working Load</b>	<b>Work Family Conflict</b>
<b>Job Performance</b>	0.834				
<b>Work Stress</b>	0.799	0.876			
<b>Working Hours</b>	0.667	0.790	0.858		
<b>Working Load</b>	0.792	0.871	0.874	0.841	
<b>Work Family Conflict</b>	0.937	0.864	0.823	0.701	0.905

#### **4.4 Square R**

R square illustrates how predictable independent variables are with respect to the dependent variable. The Square values for job performance and work stress in this study are 0.639 (64%) and 0.840 (84%), respectively, which is good for the structural fitness of model.

**Table 7. R- Square Values**

	<b>R Square</b>	<b>R Square Adjusted</b>
<b>Job Performance</b>	0.639	0.638
<b>Work Stress</b>	0.840	0.839

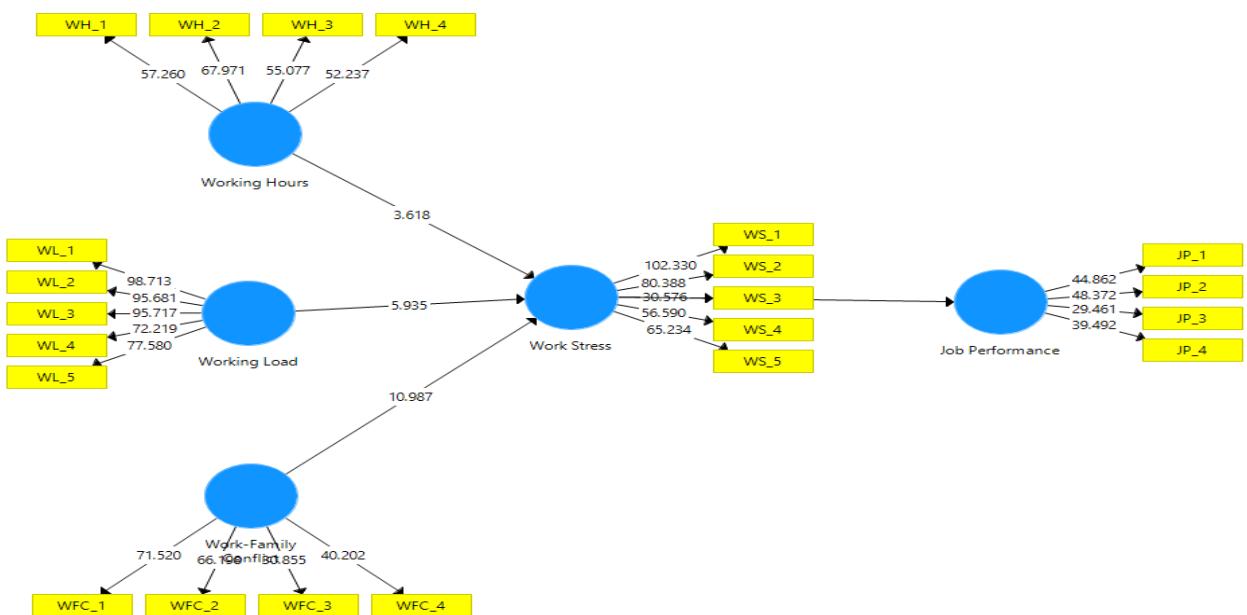
#### **4.5 Validation of Hypotheses**

Using PLS-SEM bootstrapping techniques, the study hypotheses are evaluated at this stage. All route coefficients obtained t-values more than 1.96 (p 0.005) at the 97.5 percent level of confidence, showing that correlations are significant.

**Table 8. Hypothesis Summary**

	<b>Estimate</b>	<b>S.E</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>	<b>Results</b>
Work Stress -> Job Performance	0.799	0.020	39.236	0.000	Supported
Work-Family Conflict -> Job Performance	0.353	0.035	10.053	0.000	Supported
Work-Family Conflict -> Work Stress	0.441	0.040	10.987	0.000	Supported
Working Hours -> Job Performance	0.150	0.040	3.749	0.000	Supported
Working Hours -> Work Stress	0.187	0.052	3.618	0.000	Supported
Working Load -> Job Performance	0.235	0.050	5.654	0.000	Supported
Working Load -> Work Stress	0.356	0.060	5.935	0.000	Supported

**Fig 2. Assessment of Measurement Model**



## **5 CONCLUSION**

Employee performance effect on profitability of organization. There are different factors which effect adversely on performance of employee e.g. extra work load, unpaid overtime, extended undefined working hours and work stress. It also leads to work-family conflict too. The above data concluded the concrete evidence of the research and support our hypotheses.

Work stress significantly influence job performance. Similarly work-family conflict affect performance of employees. Long working hours are also important but comparatively less effected than stress & conflict. However longer working hours increases work stress.

The results reveal that work stress has strong and significant impact on performance of employees ( $\beta = 0.799$   $p < 0.001$ ). overall proposed hypotheses are supported, confirming the critical role of stress related factors in determining performance of employees in banking sector of Pakistan.

## **RECOMMENDATION**

Management of banking sector of Pakistan should hire more employees.

Working hours should be defined and specific

Training of employees is necessary to manage work stress.

Employee should receive compensation of overtime.

There should be some incentives for families of employees e.g. membership facility of any club, tour with family or dinners etc.

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