



# Effects of Job Stress on Job Performance in Nepali Commercial Banks

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## ABSTRACT

*Stress is an unavoidable and unenviable issue people encounter in their professional and personal lives. More specifically, in a banking professional's life, due to changing demands of work and working conditions, bankers experience work stress these days. The present study was carried out to examine how work-related stress affects workers' performance on the job. The survey was conducted by administering the structured questionnaire to different categories and levels of bankers working in various banks in Kathmandu valley. Statistical tools such as descriptive statistics, correlation, and regression were used to examine the collected data. The study revealed a weak negative link between role ambiguity and job performance and demonstrated no connection between workload and role conflict and Job performance. The result suggests that a medium level of workload and role conflict have a favorable impact on job performance. This indicates that workplace stress is not always harmful but has a positive influence on performance. The finding and suggestions of this study might help commercial banks to mitigate the stress level of the employees.*

## 1. INTRODUCTION

Stress at the workplace is an emerging issue because of the fast-paced, dynamic, and highly stimulating work environment. Work stress refers to the pressure or tension people feel due to work demands. Stress occurs as people work excellently against time, under the restriction of numerous rules and regulations and high work demands that do not match their knowledge, skills, and abilities. The study made in Malaysia among the managers of multinational companies found that workloads, working conditions, and relationships were the main factors leading to workplace stress (Manshor, Fontaine, & Choy, 2003). According to the stress pulse survey report (2022), "62 percent of employees have a high degree of stress

with significant weariness, 33% have a high controllable stress level, and only 5% have a low-stress level." Stress has become a widespread problem in modern life, as most of us spend most of our time at work. Such work stress has the potential to affect an employee's health and have a detrimental impact on their work behavior, such as mental or physical health (Parker & Decotis, 1993; Gautam & Gautam, 2022), chronic disease (Lavuri, 2019), and has an adverse influence on an individual's employees' job performance (Gharib, Jamil, Ahmad, & Ghouse, 2016), high error rates and poor quality of labor, and work-life balance and employee performance (Pandey, 2020).

Work pressure is increasing worldwide and tends to impact all professionals and staff regardless of their categories. Among them, the financial sector, especially the banking sector, has suffered from excessive pressure resulting in stress (Pandey, 2020). Extreme pressure within the banking system to perform tasks can always lead to stress that impairs staff performance and can lead people to believe that staff does not know their skills. In the context of Nepal, most of the banking employees work long and inflexible hours. They bear significant responsibility for performance in areas such as cost, time, quality, and safety (Adhikary, 2016), as well as facing enormous changes in organizational structure, technology, and new ways to perform, which creates pressure that always ends up with stress (Pandey, 2020). The excessive work demands in banking sectors lead to stress that could raise mental health issues, which may affect job performance and reduce productivity. Much research has investigated the relationship between stress and job performance. However, the results obtained are inconsistent. This study focuses on studying the effect of work stress on the job performance of employees working in the banking sector.

Few studies have explored the effect of work stress on job performance. Stress significantly impacts organizational and employee performance and health (Shah, Kuppusamy, & Ekonomi, 2020). The study also revealed a negative link between work stress and work performance. Job Stress is directly related to an organization's problems, such as absenteeism, turnover, poor job performance, accidents and errors, and alcohol and drug abuse (Manshor et al., 2003). The root cause of job stress could be linked to different dimensions of organizational culture (Gautam & Basnet, 2021), leadership behavior (Basnet, 2018), and training-related factors (Basnet & Gautam, 2022; Gautam & Basnet, 2022). Most of the previous research focuses on the effect of work-related stress on organizational performance, such as organizational outcomes, job satisfaction, or work-related well-being (e.g., Kula, 2011; Johnston, 2015). The important point to focus on is that people react differently to pressure in different situations and different stages of work. Based on the preceding, it is worthwhile to perform a study of this sort to expose specific facts regarding the impact of job stress on Nepalese workers, particularly bank personnel, who must manage and cope with stress daily due to the nature of their occupations. This study aimed to investigate the effect of workplace stressors on the job performance of employees in the banking sector of Nepal. For this purpose, researchers have used workload, role conflict, and role ambiguity as the factors that cause stress in the organization's role. The main purpose of this study is to determine the effect of these work-related stressors on the performance of employees in the Nepalese banking sector located in the Kathmandu Valley.

## 2. LITERATURE REVIEW

The literature on work-related stress indicates that it has evolved from simple stressors-strain models to more sophisticated frameworks incorporating mediating or moderating variables (Lu, 1999). Workplace stress is a collection of external detrimental aspects in the workplace that can be psychological, physical, or social (Greenberg & Baron, 2007). It also refers to moral, emotional, and physically threatening work environment characteristics mediated by individual differences and psychological behavior. Work stress is

experienced when there is an imbalance between work environment demands and individual abilities, so work stress can be said as ambiguity, conflict, and overload that arises from the work environment, which is not matched with personal competencies. Gharib et al. (2016) have stated that Workloads, role conflicts, and insufficient monitoring rewards in organizations are the main causes of employee stress, leading to decreased employee efficiency.

Shah et al. (2020) have discussed the relationship between work stress factors such as role ambiguity, workload pressure, role conflicts, work conditions, work relationships, family-work interference, and work performance. The researchers have discovered that role ambiguity was found to be insignificant in causing work stress. They have concluded that employees will experience stress when they have excessive workloads beyond their control. Similarly, Ahmed and Ramjan (2013) have found a negative relationship between work stress and job performance. They have found that stress in the work environment reduces employee intent to perform better at work with higher stress levels, discourages employee thinking, and reported that the tendency of success is also reduced. Saleem, Malik, and Saiqa (2021) have also found that the increased level of stress employees impacts employees' work and non-work lives, leading to anxiety, frustration, and burnout, which further leads to health problems that influence work performance. Samuel (2018) wrote in his dissertation that stress in the workplace is negatively associated with job performance, as stress adversely affects employee performance, reducing stress and improving performance, and concluded that they are inversely proportional to the others.

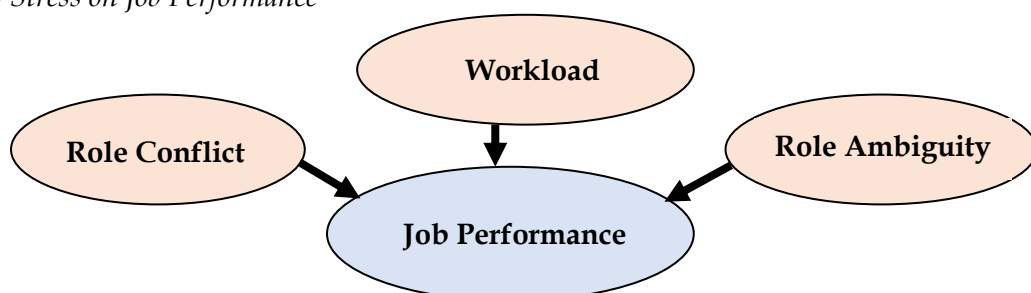
In the context of Nepal, Kayastha, Murthy, and Adhikary (2012) have studied the occupational stress of executive officers and found that senior managers in Nepal suffer from workplace stress. They have also reported that the studied group had a high-stress level. They revealed that age significantly differs in occupational stress of executive officers working in universities and colleges, Information systems, Industries, banks, and financial institutions. Similarly, Gurung and Bastola (2020) concluded that workplace stressors affect employee performance. Pandey (2020) concluded that work overload was the most important reason for employee stress and that work stress had a direct negative impact on most employees. Another researcher Baidya (2017), substantiated her dissertation that the lives of employees in the banking sector of Nepal are stressful. Based on the above statements, research on stress is needed to tackle the present workplace conditions, as the workplace scenarios have also changed in Nepal. Stress is a real challenge for employees, and continuous monitoring of the work environment for stress-related factors is crucial, especially in the banking sector of Nepal.

### **Research Framework and Hypotheses**

Figure 1 illustrates the research framework model for this study. The factors related to work environments that raise work stress are the independent variables, which include workload, role conflict, and role ambiguity. Job performance is the dependent variable in this study.

#### **Figure 1**

*Effects of Job Stress on Job Performance*



Based on the above research framework, the following hypotheses were formulated:

*H<sub>1</sub>: Workload has a significant impact on job performance.*

*H<sub>2</sub>: Role conflict has a significant impact on job performance.*

*H<sub>3</sub>: Role ambiguity has a significant impact on job performance.*

### 3. RESEARCH METHODS

This study was conducted using descriptive and causal research design. The survey technique was used for collecting the required data. The study variables have been measured through many instruments developed by Chandhok and Tyagi (2012), Parker and Decotiis (1983), and Shahriari et al. (2013). Changes have been made to adjust the study area context. It consists of a total of 21 items, with five items in each dimension (workload, role conflict, and role ambiguity) and six items in (job performance) which were measured on 5 Likert scales ranging from 1 (very disagreeable) to a maximum of 5 (very agreeable). Before administering the questionnaire, the reliability and validity of the instruments were checked. In this study, the data were gathered from Nepali commercial banks in Nepal. As Schmidt (1971) suggested, the minimum sample-to-variable required ranges from 25-to-1. There are four variables. Hence, a minimum  $4 \times 25 = 100$  sample is required for this study. To get the sample of 100, 200 questionnaires were distributed to different commercial banks of Kathmandu valley, out of which 173 were returned, representing a response rate of 86.5% which is a sufficient sample for this study. Frequency distributions were calculated to describe the demographic variables of the participants. Mean, Standard deviations, correlations, and regression analysis were used to analyze the data.

### 4. RESULTS

In this study, various statistical tools were used to analyze and interpret the data. The respondent characteristics are presented in the following sections, where gender, age group, respondent's position in the organization, year of experience, and marital status of the respondents in the banking sections were mentioned.

**Table 1**

*Respondents Characteristics*

Variables	No. of Respondents	Percentage
<i>Gender</i>		
Male	92	53.2
Female	81	46.8
<i>Age</i>		
Under 25	20	11.6
25 - 35	79	45.7
36 - 45	47	27.2
46 - 55	24	13.9
Above 55	3	1.7
<i>Position</i>		
Assistant Level	94	54.3
Officer Level	45	26
Manager Level	34	19.7
<i>Year of Experience</i>		
Below 1	21	12.1
1 - less 3	51	29.5
3 - less 5	51	29.5
Over 5	50	28.9

*Table 1 Continued ...*

<i>Marital Status</i>		
Single	71	41
Married	99	57.2
Divorced	3	1.7

Source: Survey 2022

### Test of Reliability

Consistency tests can be measured by using different methods. In this study, each construct's reliability is measured using Cronbach's alpha, and the minimum cut-off point of an alpha is 0.6 (Carmeli, 2005). In this study, the alpha values range from 0.614 to 0.722, which fulfills the reliability criteria, as Carmeli mentioned. Hence, there is no issue of reliability which indicates that the constructs in this study are reliable for further investigation.

**Table 2**

*Reliability Coefficients*

Variable	No of Items	Cronbach's Alpha
Work Load	5	0.614
Role Conflict	5	0.645
Role Ambiguity	5	0.676
Job Performance	6	0.722

Source: Survey 2022

### Descriptive and Relationship Analysis

The descriptive analysis shows that except for role conflict, all the construct mean values are greater than 3.00, which indicates that the employees perceived greater workload and role ambiguity. Moreover, a correlation between work stress dimensions (i.e., workload, role ambiguity, and role conflict) and job performance was measured and found only one negative relationship between job performance and role ambiguity was. The result shows that the relationship between workload and job performance; and role conflict and job performance are insignificant, which indicates that role ambiguity plays a significant role in job performance rather than workload and role conflict.

**Table 3**

*Descriptive Statistics and Correlations Coefficients*

	Descriptive Statistics		Correlations Coefficients		
	Mean	S.D.	1	2	3
1. Workload	3.25	0.72	1		
2. Role Ambiguity	3.03	0.73	.303**	1	
3. Role Conflict	2.98	0.73	.328**	.466**	1
4. Job Performance	3.87	0.65	-0.112	-.289**	-0.128

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

### Effect of Job Stress on Job Performance

The regression result shows that the overall model is fit where the F value is 5.174 ( $p < 0.05$ ) and the R square value is 8.4 percent, which indicates that work stress constructs explain 8.4 percent of the variance of job performance. Table 4 shows that workload and role conflict do not impact job performance. In contrast, the finding shows that role ambiguity has a negatively significant impact on job performance, indicating that role ambiguity contributes to job performance.

**Table 4**  
*Regression Coefficients*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.689	0.273		17.182	0.000
Work Load	-0.027	0.071	-0.03	-0.379	0.705
Role Ambiguity	-0.254	0.075	-0.287	-3.388	0.001
Role Conflict	0.013	0.076	0.015	0.177	0.86
$R^2 = 0.084$			$F = 5.174^{**}$		

### Summary of Hypotheses testing results

The regression results show that role ambiguity substantially negatively affects job performance. In contrast, workload and role conflict do not significantly impact job performance, as shown in Table 5.

**Table 5**  
*Hypotheses Acceptance and Rejection*

Hypotheses	Beta	p-value	Result
H <sub>1</sub> : Workload has a significant impact on job performance	-0.03	0.705	Rejected
H <sub>2</sub> : Role Conflict has a significant impact on job performance	0.015	0.86	Rejected
H <sub>3</sub> : Role Ambiguity has a significant impact on job performance.	-0.287	0.001	Accepted

## 5. DISCUSSION AND CONCLUSION

This study examined the effect of work stress on the job performance of banking sector employees. The results revealed that workload and role conflict do not significantly impact job performance. In contrast, role ambiguity has a significant negative impact on job performance, indicating that role ambiguity contributes to job performance. Prior researchers such as Shah et al. (2020) and Gharib et al. (2016) have found that workload has a significant positive impact, and role conflict has a significant negative effect on job performance. However, this study found a negative but insignificant relationship, which is inconsistent with the findings of previous researchers. The study results state that the increment of workload and role conflict in the banking sector leads to stress but has no significant effect on job performance. The possible reason might be respondents' characteristics and how they perceived workloads. Similarly, the increased role conflict tends to increase confusion during the performance, negatively affecting performance.

This study shows that role ambiguity has a significant negative relationship with job performance, which is consistent with the research done by Murali, Basit, and Hassan (2017) but inconsistent with the findings of previous researchers such as Shah et al. (2020) and Gharib, et al. (2016). When employees suffer from high job demands, time constraints, and less support from managers leads to the highest level of job stress and decreases job performance. The result suggests that employees' job performance is affected when unsure of their jobs and positions within their organizations. Similarly, when managers fail to provide the appropriate information to staff, role ambiguity occurs, which has now been identified as a source of workplace stress. Organizations can reduce work stress by restructuring tasks to minimize burden, reduce role conflict, and eliminate role ambiguity. In addition, organizations can conduct counseling, training, and breaks to refresh the employees from their regular duties to manage work stress.

## 6. LIMITATIONS AND FUTURE SCOPE

This study was focused only on a commercial bank, which could not be generalized in other sectors. Hence, future researchers could select sectors other than commercial banks to generalize the finding of this study. To obtain a more comprehensive understanding of the influence of job stress on job performance in these changing scenarios, future research can be conducted by choosing more institutions from the fields of education, health, economics, and government. One shot study has been done in this study which might have a common method bias. Thus, the future researcher could conduct longitudinal research or analyze Harman single factor, or the independent and dependent variables could be asked in two different time periods, which helps to mitigate the risk of common method variance (Podsakoff, MacKenzie, & Podsakoff, 2003). Furthermore, to confirm the results, future researchers can use a qualitative approach for studying work stress in detail, as the perceived stress varies from person to person. Additionally, the future researcher could conduct an in-depth interview to validate the finding of this study.

### Declaration of Conflicts of Interest

The authors have no conflicts of interest to declare.

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