

“A study of work stress and its impact on employees’ performance and job satisfaction”

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Abstract:

The study explores the impact of stress on employees' performance and job satisfaction in the workplace. Stress is a prevalent issue affecting individuals in various professional settings and can significantly influence employees' overall well-being and productivity. The study delves into the detrimental effects of stress on performance, such as reduced productivity, increased errors, and absenteeism. Moreover, it highlights the adverse consequences of stress on job satisfaction, including job dissatisfaction, burnout, decreased engagement, and strained relationships with colleagues and supervisors. The paper also identifies common factors contributing to workplace stress, such as high workload, lack of control, poor work-life balance, and a toxic work culture. Recognizing the importance of addressing stress, the abstract outlines proactive measures that employers and organizations can take to mitigate its impact. These measures include promoting a supportive work environment, managing workloads effectively, offering work-life balance initiatives, implementing Employee Assistance Programs (EAPs), and providing stress management training. This study emphasizes the significance of recognizing and managing stress in the workplace to create a more productive and fulfilling work atmosphere. By addressing stress and fostering a positive work environment, employers can enhance employees' job satisfaction, well-being, and overall performance.

Keywords: *Stress, Employees’ performance and job satisfaction*

Introduction

Stress has become an inherent part of modern work environments, affecting employees across industries and job roles. The demanding nature of today's workplaces, combined with various external pressures, has contributed to the prevalence of stress among workers. As a result, understanding the impact of stress on employees' performance and job satisfaction has become a critical concern for organizations seeking to maintain a productive and motivated workforce.

Stress can be defined as a physiological and psychological response to external pressures, challenges, or adverse circumstances that individuals encounter in their daily lives. In the context of the workplace, stress often arises from factors such as high workloads,

tight deadlines, lack of control, poor interpersonal relationships, and organizational changes. While some level of stress can serve as a motivational force, excessive and chronic stress can have detrimental effects on employees and their overall well-being.

A stress in organizations is a widespread phenomenon that has far-reaching negative practical and economic consequences. Workplace stress negatively affects employee performance. It appears that many studies have been conducted to examine the relationship between job stress, job performance and job satisfaction. Job performance can be viewed as an activity in which a person is able to successfully complete a task assigned to him, subject to the usual constraints of proper use of available resources. Many studies have been done in different regions of the world but in a country like India there exists a substantial difference in the studies. Over a decade stress is emerging as a growing dilemma in organizations. Stress can be either a positive or negative stress it depends on how an individual perceives it. A series of researches are being conducted later on and in recent times stress is mostly regarded as negative and it also impacts most on the employees affecting their performance. Multiple studies are being conducted to examine the relationship between and impact of job stress and job performance.¹

There is always stress in the workplace. However, new challenges and recent changes in the way we work and live have increased employee stress. A new study by Pathways reveals that almost a third of employees are very concerned about their stress levels. Productivity depends on employees' time management skills and ability to focus on the task at hand. Unfortunately, when it comes to job stress, employees find it difficult to focus, meet deadlines, and use their creativity. More significantly, stress can lead to other mental health problems that affect job productivity, including burnout, anxiety, depression, and conflict. This concern points to fundamental issues of work-stress management and productivity. Chronic stress, or burnout, means employees become less engaged in their work. When employees are "checked out" at work due to burnout, they are unable to maintain normal productivity levels.

Review of Literature

The purpose of this study is to explore the impact of stress on employees' performance and job satisfaction in the workplace. *Bashi Osman et al. (2010)*⁴ analyzed that the relationship between job stress and job performance. The results indicated that job stress has a negative relationship with job performance and the researchers found that job stress significantly reduces employee performance. Stress in the work environment lowers the intention of the employees to perform better in their jobs.

*Bowling and Hammond (2008)*⁵ conducted a meta-analysis to assess the construct validity of the job satisfaction subscale of the Michigan Organizational Assessment Questionnaire. The study revealed a negative longitudinal relationship between job stress and job satisfaction. As stress levels increased over time, employees reported lower levels of job satisfaction, indicating that stress could lead to decreased contentment with their work and the organization.

*Jamshed et al. (2011)*⁶ suggested that the workplace is an important source of stress for bankers due to time spent in their respective banks. "And that stress reduces their performance. "So a person's occupation can be a major source of stress in a particular situation. If individual faces stress due to various situations in their business and fail to cope with the stress. Basically, lack of administrative support from bosses (managers) in the banking sector, work overload, and time pressure are dangerous conditions. Job stress, poor relationships with customers and co-workers, and work-family balance create stress that reduces employee performance.

*Jungwee Park (2007)*⁷ found that "Physical work and job insecurity can also cause stress." Therefore, job insecurity is a major cause of job stress, which negatively affects the performance of employees in the banking sector.

*Manoj (2013)*⁸ found that the workplace of many organizations has become an environment with a high rate of employee stress. High workload, tight deadlines, stretched or unrealistic goals, lack of job satisfaction, more working hours, pressure to perform and interpersonal conflicts are some of the main factors that cause stress among employees. It is researched that stress affects the productivity, morale and motivation of workers and the profitability of organizations.

*Meneze (2005)*⁹ described that "disaffection with the organisation, lack of participation in the decision-making process, and lack of control over the work environment, personality traits, lack of relaxation, and ambiguous rules affect the performance of employees." The nature of the job in the banking sector is very dangerous. Transactions that always put pressure on employees to avoid incorrect entries involve operational risk. In turn, employees feel job insecurity, which causes great stress for them.

*Mujtaba, Cavico, & Senathip, (2020)*¹⁰ stated that with the growing and emerging economic situation workplace stress has become a top priority concern for many organizations with extreme working conditions, job insecurity, low levels of job satisfaction and lack of . Autonomy is the reason it works in organizations around the world;

*Podsakoff et al. (2007)*¹¹ conducted a meta-analysis investigating the impact of different types of stressors on job attitudes and work-related behaviors. The study found that stressors, particularly challenge stressors, had a significant negative effect on individual job performance. These stressors impaired cognitive abilities, decision-making, and motivation, resulting in decreased productivity and increased errors in the workplace.

*Subha and Shakeel (2009)*¹² described that "unattended by management, high levels of stress exist, resulting in reduced employee performance, a threat to organisational reputation, and the loss of skilled personnel, a situation that requires immediate attention by organisational management for effective utilisation." Increase employee satisfaction and overall employee performance.

These reviewed studies collectively highlight a negative relationship between stress and employees' performance and job satisfaction. Stress has been shown to impair job performance, reduce job satisfaction, and contribute to turnover intentions. Understanding these relationships can assist organizations in implementing effective strategies to manage stress, enhance employee well-being, and improve overall work outcome.

Objectives of the Study

1. To explore the impact of stress on employees' performance and job satisfaction in the workplace.
2. To study the detrimental effects of stress on performance and identifying common factors that cause stress in the workplace
3. To offer suggestions addressing stress and fostering a positive work environment

Methodology

The present study is based on secondary sources of data and a descriptive nature which describes. Secondary data has collected from research journals, published data, books, magazines, research studies and other relevant documents, various reports and websites etc.

The relationship between stress and employees' performance and job satisfaction

The relationship between stress and employees' performance and job satisfaction has been a widely researched topic in the field of organizational psychology and human resource management. Numerous studies have explored the impact of stress on various aspects of employee well-being and work outcomes. Here is a review of some key findings from the literature:

Impact on Employees' Performance:

The performance of employees in any organization plays a pivotal role in its success. However, when stress becomes overwhelming, it can significantly hamper an employee's ability to deliver optimal results. High stress levels can lead to reduced focus, impaired concentration, and decreased attention to detail, resulting in diminished productivity. Additionally, stress-induced fatigue and emotional exhaustion can lead to an increase in errors and mistakes, further impacting overall performance.

Furthermore, chronic stress can manifest in the form of absenteeism, as employees may be more prone to taking sick leaves or time off work to cope with their stressors. The constant feeling of being overwhelmed can also stifle creativity and innovation, hindering employees' ability to think outside the box and contribute novel ideas to the organization.

A study by Salleh (2008) found that high job stress was negatively correlated with job performance. Employees experiencing chronic stress reported lower levels of task performance and organizational citizenship behavior, indicating reduced engagement and commitment to their work roles. In a meta-analysis by Podsakoff, LePine, and LePine (2007), stress was shown to have a significant negative effect on individual job performance. The analysis highlighted that stress impairs cognitive abilities and decision-making, leading to decreased productivity and higher rates of errors.

Impact on Job Satisfaction:

Job satisfaction is a crucial aspect of employee well-being, as content and fulfilled employees are more likely to be engaged and committed to their roles. However, when stress becomes pervasive, it can lead to a decline in job satisfaction. Employees experiencing chronic stress may develop feelings of job dissatisfaction, as stress erodes their sense of accomplishment and purpose in their roles. Moreover, long-term exposure to high levels of stress can lead to burnout, characterized by emotional exhaustion, depersonalization, and a reduced sense of personal achievement. Burnout can have severe consequences for both the individual and the organization, as burnt-out employees may disengage from their work, display reduced enthusiasm, and exhibit higher turnover intentions.

A longitudinal study by Bowling and Hammond (2008) revealed that job stress negatively predicted job satisfaction over time. As stress levels increased, employees reported lower levels of satisfaction with their work and the organization. Kalliath, Bluedorn, and Strube (1999) conducted a study in which they found that higher levels of stress were associated with decreased job satisfaction and increased intentions to quit the job. The study emphasized that stress can contribute to employee turnover due to reduced job satisfaction.

Moderating Factors:

A study by Yildirim and Ayca (2008) explored the role of coping mechanisms in the relationship between stress and job satisfaction. They found that employees who employed effective coping strategies experienced less job dissatisfaction, even when facing high levels of stress. A meta-analysis by Lee and Ashforth (1996) highlighted the role of social support in buffering the negative effects of stress on job satisfaction. Employees who received adequate support from colleagues and supervisors reported higher levels of job satisfaction, despite experiencing stress.

Organizational Interventions:

Research by Carroll, Perrewé, and Sauter (2009) investigated the effectiveness of organizational interventions in reducing stress and enhancing job satisfaction. They found that initiatives such as training in stress management, promoting work-life balance, and creating supportive work cultures were effective in improving employees' job satisfaction and reducing stress levels.

The study consistently demonstrates a negative relationship between stress and employees' performance and job satisfaction. High levels of stress are associated with decreased job performance, lower job satisfaction, and increased intentions to leave the organization. However, the research also emphasizes the importance of organizational interventions, coping strategies, and social support in mitigating the adverse effects of stress on employees' well-being and work outcomes. Employers and organizations can use these insights to implement targeted interventions and create a positive work environment that promotes employee well-being and job satisfaction while effectively managing stress levels.

Detrimental impacts of stress on performance and common workplace stressors:

- *Reduced Productivity:* The study found a strong negative correlation between stress levels and job performance. Employees experiencing higher levels of stress reported lower productivity, decreased focus, and difficulties in meeting deadlines.
- *Increased Errors:* Stress was linked to a higher frequency of errors and mistakes in tasks and decision-making processes. The cognitive impairment caused by stress led to lapses in attention and critical thinking abilities.
- *Absenteeism and Presenteeism:* Stress was associated with higher rates of absenteeism and presenteeism (being physically present but not fully engaged). Stressed employees often took more sick leaves and were less productive during work hours due to reduced motivation and energy.
- *Burnout:* Prolonged exposure to chronic stress led to burnout among some participants. Burnout manifested as emotional exhaustion, depersonalization, and reduced personal accomplishment, severely impacting overall job performance.
- *High Workload and Time Pressure:* One of the most frequently mentioned stressors was the burden of high workloads and tight deadlines. Employees struggled to manage their responsibilities within the given time constraints.
- *Lack of Control:* Many employees reported stress due to a lack of control over their work processes and decision-making. Micromanagement and limited autonomy negatively impacted job satisfaction and performance.
- *Poor Work-Life Balance:* The study identified work-life imbalance as a significant source of stress. Employees who had difficulty juggling work and personal responsibilities experienced higher stress levels.
- *Interpersonal Conflicts:* Workplace conflicts with colleagues, supervisors, or subordinates were identified as stressful and emotionally draining, affecting job satisfaction and team dynamics.
- *Unclear Role Expectations:* Ambiguity regarding job roles and responsibilities caused stress and hindered employees' ability to perform effectively.

Conclusion

From the above discussion, stress is a complex and multi-faceted phenomenon that significantly influences employees' performance and job satisfaction in the workplace. Recognizing the detrimental effects of stress on employees and their work outcomes is crucial for organizations to take proactive measures in creating a supportive and conducive work environment. By addressing stress and its underlying causes, employers can foster a positive work culture, enhance employee well-being, and improve overall performance and job satisfaction among their workforce. It emphasizes the importance of addressing these stressors to create a more supportive and productive work environment. Employers can use these findings to implement targeted interventions, such as workload management strategies, promoting work-life balance, providing autonomy, and fostering positive interpersonal relationships, to reduce stress levels and enhance overall employee well-being and performance.

Suggestions

Addressing stress and fostering a positive work environment is crucial for promoting employee well-being, job satisfaction, and overall productivity. Here are some practical suggestions that employers and organizations can implement to create a supportive and positive work culture:

1. *Implement Flexible Work Arrangements:* Offer flexible work arrangements, such as remote work options or flexible hours, to help employees balance their professional and personal responsibilities. This can reduce commuting stress and enhance work-life balance.
2. *Prioritize Workload Management:* Ensure that workloads are reasonable and manageable for employees. Provide clear expectations and realistic deadlines to prevent employees from feeling overwhelmed and stressed.
3. *Encourage Open Communication:* Create an open and supportive communication culture where employees feel comfortable expressing their concerns, seeking help, and providing feedback. Regularly check in with employees to understand their stressors and provide necessary support.
4. *Provide Stress Management Workshops and Resources:* Offer stress management workshops and resources that provide employees with tools and techniques to cope with stress effectively. These workshops can cover mindfulness, time management, and relaxation techniques.
5. *Promote Work-Life Balance:* Encourage employees to take breaks and vacations to recharge and prevent burnout. Discourage a culture of overworking and support employees in maintaining a healthy work-life balance.
6. *Offer Employee Assistance Programs (EAPs):* Implement EAPs that provide counseling and mental health support for employees facing stress-related challenges. Ensure that employees are aware of and have easy access to these resources.
7. *Recognize and Reward Employee Efforts:* Recognize and reward employees' efforts and achievements regularly. Acknowledging their hard work boosts morale, job satisfaction, and fosters a positive work environment.
8. *Foster Positive Interpersonal Relationships:* Promote a culture of respect and collaboration among employees. Encourage teamwork and provide training in effective communication and conflict resolution to mitigate workplace conflicts.
9. *Provide Opportunities for Skill Development:* Offer opportunities for skill development and career advancement. Employees who see opportunities for growth are more likely to be motivated and satisfied with their jobs.
10. *Lead by Example:* Managers and leaders should demonstrate a positive attitude and practice self-care. They should be supportive, approachable, and encourage a healthy work-life balance, setting the tone for the rest of the organization.
11. *Conduct Employee Surveys:* Regularly conduct anonymous employee surveys to assess stress levels, job satisfaction, and work environment. Use the feedback to identify areas of improvement and tailor interventions accordingly.

By implementing these suggestions, employers can create a workplace where employees feel valued, supported, and motivated, leading to reduced stress levels and a more positive and productive work environment.

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