

**Job Stress Effects Organizational Commitment and Employees Performance:**

**A case of Banking Sector of district Swat**

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**Abstract**

This study examined the relationship among job stress, organizational commitment and employees' performance in banking sector of District swat. Sample for this research study is composed of two hundred and fifty employees. The results of the study indicate that factors like heavy workload, long hour working and new technology causes stress. Furthermore, it has found that stress is negatively correlated with organizational commitment and employee's performance and organizational commitment is positively correlated to employee productivity. For increasing both employee's and organizational productivity the policy makers and administration needs to increase in rewards, organizational commitment and compensations.

**Keywords:** Stress; Organizational Commitment; Employee Performance; Banking Sector.

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**1. Introduction**

Advancement in technology groomed the organizations to the current modernization and globalization, which lead the organization to a great comfort in doing more diverse things with little efforts and short time [1]. But still it is unable to ignore the advancement which pushed the society towards competition [2]. Continual rapid changes, economic growth and technological development in the world have opened new areas [3, 4].

As of human inherent nature, new blooming trends also accompanied competition. Economic development has forced the organizations to minimize the cost, get more profitability and to step-up the operations in order to get and sustain their competitive advantage [5]. All over the world every organization tends to adopt latest technology in ordered to keep competitive advantage over others [1, 6]. Due to competition and work specialization, every employee wants to upgrade skills continually for carrier growth. Organizational modifications such as downsizing, mergers & acquisitions and some radical technological changes have reformed the work setups. All of these changes have created problems like competition and work life imbalance that lead to work stress/strain/burnout incidence of mental illness [7-9].

The advance technological changes, work burden, highly challenging job demands and long working hours have made it difficult for employees to balance their jobs and organizational commitment [10, 3]. The organization's success and development depends on employees' performance and their commitment with the organization and its goals. When employees continually feel stress for long period of time the employees then become emotionally exhausted which further contributes to the severe stage of stress like burnout [11, 12]. Therefore, this study tries to find the effects of job stress on employee's motivation, organizational commitment and employees' performance. In addition, to know that how these variables affect employees' performances in the banking sector of district swat.

**1.1 Research Objectives**

The organization's success depends on employees' performance. Committed employees always perform rationally to achieve the better outcomes. The focal objectives of this study are given below.

- 1) To find out the relationship between job stress and organizational commitment.
- 2) To examine the relationship between job stress and employees Performance.

**1.2 Hypotheses**

H<sub>1</sub>: There is a negative relationship between job stress and organizational commitment.

H<sub>2</sub>: There is a negative relationship between job stress and employees' Performance.

**2. Literature Review**

From past decades, job stress is evolving as growing problem. the phenomena of stress have been focused by many researchers and organizations [11, 13]. Job stress not only effects individual but it also affects organizations as well[14]. With the increase of severe occupational stress, and the impact of work force exhaustion on employees performance, talent and their retention, has becoming an increasing problem [15]. Job Stress is mostly common in those jobs in which employees directly spend considerably more time with their customers [16].

Rapidly changing global environment increasing the burden on employees to execute maximum output and improve effectiveness in performing their jobs[9]. Most of the job demands factors predict job stress such as workload [17], Physical and emotional demands [18], harassment and performance [19]. On the other hand job resources factors help in overcoming job stress such as autonomy [20], social support and feedback [21].

The concept of stress first time has given by [22]. According to Selye, stress is a type of mental pressure. Stress is derived from Latin word means tension exerted upon an individual due to load [23]. Stress is first stage of physical, emotional and mental exhaustion and burnout which is caused by engrossment in highly demanding circumstances. In the workplace and continued experience of stress and long working hours [24]. Stress is a state that forces employees to depart from their normal working because of the change disorder in his/her psychological and/or physiological situation [11].

Furthermore, Commitment has defined as The readiness and willingness of employees to use their energy and skills for the organization success and to give the total loyalty to the organization [25, 26]. Commitment is a steadying force that acts to maintain individuals in the organization while the expectancy or fairness circumstances are not encountered or do not function [27, 28]. Commitment is a psychological state that keep coherent the employees with the organization [29]. Committed employees provide a great support to organizations because they perform and act for accomplishing the organization's goals. Moreover, committed employees are pleased to be the partners of it. Employee commitment plays an important role in achieving organizational goals [25].

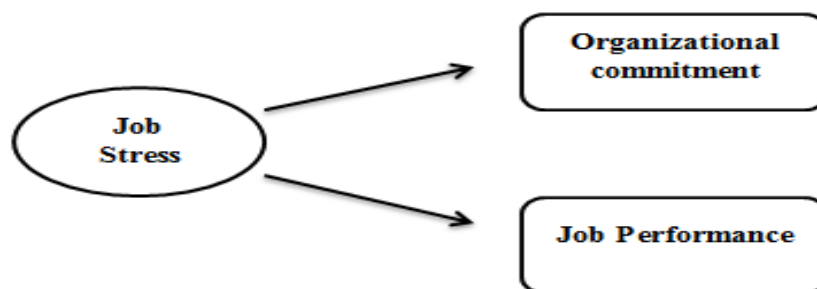
The word "performance" has been used broadly in all fields of management. The concept of performance in the management perspective has been defined in different manners by researchers. Performance is a behavior that can be manifested or some work done by the employee [30, 31]. Performance can be defined in terms of some pre-determined standards-based measurements through which we can generate future results[32]. Most of the people relate Performance with effectiveness and efficiency [33]. Performance is the actions which might be appraised and gives contribution to organizational efficiency as cited in [31]. Performance is the activities that help and contributing in achieving the organizational goals [34, 35].

Lowering the anxiety/stress will leads to the increase of organizational commitment that result in the increase in job satisfaction and performance [36]. Depersonalization is a type of emotional exhaustion which reduces personal accomplishment and job satisfaction [37]. With the reduction of stress level, employees seem to be more happy and enthusiastic towards their jobs and found more committed to their organization [38]. Organizational commitment and loyalty are positively correlated with the higher performance [39].

Organization commitment improves employee's performance. Employee's willingness creates loyalty and commitment for organization [40]. Work related stress has not only cause's demotivation and reduction of organization commitment but also directly affect employee's performance. Emotional exhaustion plays the role of mirror to show employees' sources of energy [41]. Exhausted and stressed employees are unable to perform the job better. [16]. High level of job stress leads to low level of employee's job performance[42]. Stress is mostly created because of continuously and long working hours that could be slowly disappeared by taking some rest [16]. Working for longer hours decreases employee's desire for better job performing [14].

In today's researches it's estimated that around 3% to 7% of the employees across the world are suffered from stress [16]. Stress causes severe absenteeism, the loss of talent, damaging organization's reputation and profitability [43]. When Job stress exceeds from limits e.g. burnout stage then it not only affects employee's commitment and performance but it also contributes in employee turnover intention [44, 45]. Every third employee feels high occupational stress[46]. From the above review and discussion it is concluded that stress provide base for burnout and this badly affect employee retention in the organization, employees commitment, motivation, organizational productivity and performance.

In this study, the independent variable is job stress and dependent variables are organizational commitment and employee's job performance. From the above discussion, it is clear that job stress directly affects the dependent variables e.g. organizational commitment and employee's job performance in the banking sector.



### 3. Research Methodology

The current study is using Quantitative approach for measuring variables. This study has been arranged to follow positivistic approach and based on a large sample size, gives importance to the validity and reliability of findings that can be generalized [12, 47].

This study is descriptive in nature because it explains the correlation among job stress, employee's commitment and job performance in banking sector of district swat KP Pakistan. The aim of the researcher is to investigate the improvement in employee's job performance through organizational commitment hence; the researcher has taken population for this study. The population of the current study is employees working in banking sector of swat KP Pakistan that as 753. Sample for this study has been selected by using the Krejcie and Morgan [48] formula which is 254 in simple random sampling technique.

Data has been collected through closed ended questionnaire. The instrument has adopted from [49, 50] to find out the relationship between job stress, organizational commitment and job performance. Reliability statistics, correlation and regression analysis have been used. The analysis of data has been done through SPSS 21.

### 4. Data analysis

#### 4.1 Reliability Analysis

In the reliability analysis, Cronbach's alpha has been used to know about the instrument accuracy. In the study Cronbach's alpha Values are given in the table 1. The values for job stress, organizational commitment, employee's performance indicates that the instruments used are reliable. The variable is considering reliable if the Cronbach's alpha value is equal or above than 0.7. Therefore, the study variable instrument is acceptable range.

**Table 1: Reliability statistics**

| <i>Variable Name</i>             | <i>Cronbach's alpha</i> | <i>No of Items</i> |
|----------------------------------|-------------------------|--------------------|
| <i>Organizational Commitment</i> | <b>0.702</b>            | <b>5</b>           |
| <i>Job stress</i>                | <b>0.826</b>            | <b>5</b>           |
| <i>Employees Performance</i>     | <b>0.731</b>            | <b>5</b>           |

#### 4.2 Correlation Analysis

For calculating the degree of relationship among the variables e.g. job Stress, organizational commitment and employee's performance. The study has used the correlation matrix as shown in Table 2. The values in this study show that job stress is negative correlated with organizational commitment and employee's job performance. While organizational commitment strongly positive correlated with employee's job performance.

**Table 2: Correlation Matrix**

|                                  | <b>Job stress</b> | <b>Organizational Commitment</b> | <b>Employees Performance</b> |
|----------------------------------|-------------------|----------------------------------|------------------------------|
| <b>Job stress</b>                | 1                 |                                  |                              |
| <b>Organizational Commitment</b> | <b>-0.564**</b>   | 1                                |                              |
| <b>Employees Performance</b>     | <b>-0.593**</b>   | <b>0.724**</b>                   | 1                            |

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

#### 4.3 Regression Analysis

The regression analysis is used to measure the magnitude of causal relation of independent and dependent variable. The F values in the table 3, show that overall model is significant. The R square values show that 32% and 35% of the variance in organizational commitment and employee's performance can be predicted from job stress respectively, while 52% of variance in employee's performance can be predicted from organizational commitment. The  $\beta$  values in the table indicate that one unit of increase in Job stress causes .5-unit decline in the organizational commitment and .6-unit decline in employee's performance. On the other hand, one-unit increase in organizational commitment contributes .7 unit increases in employee's performance. The p values in the table represent that the relationship among Job stress, organizational commitment and employee's performance is significant.

**Table 3:Regression Analysis**

|                          | <b>Organizational Commitment</b> |          |            | <b>Employee's Performance</b> |          |            |
|--------------------------|----------------------------------|----------|------------|-------------------------------|----------|------------|
|                          | <b>B</b>                         | <b>T</b> | <b>Sig</b> | <b>B</b>                      | <b>T</b> | <b>Sig</b> |
| <b>(Constant)</b>        | 19.5                             | 40.6     | .000       | 17.65                         | 38.0     | .000       |
| <b>Job Stress</b>        | -0.564                           | -10.7    | .000       | -0.593                        | -11.6    | .000       |
| <b>R<sup>2</sup></b>     | 0.318                            |          |            | 0.352                         |          |            |
| <b>Adj R<sup>2</sup></b> | 0.315                            |          |            | 0.350                         |          |            |
| <b>F-Model</b>           | 115.5                            |          |            | 134.8                         |          |            |

There is a slight difference in the reliability, correlation and regression statistics between this study and other studies because of different cultural backgrounds and situational factors. In addition, as the gender factor affect the relation of above discussed variables. Stress level changes due gender. Men feel high level of job stress then women [16].

## **5. Result and discussion**

The results of the study indicate that most of the banking employees are under a great stress and feels tired, having less energy for doing work due to their stress. Similarly, employees were not committed and unsatisfied with the policies, reward and incentives provided to them.

From the above data analysis, it has concluded that there is a strong negative association among job Stress, organizational commitment and employee's performance among the employees of banking sector in district swat. It means that when job stress increases among the employees the level of organizational commitment and employee's performance will be decreases and vice versa. On the other hand, the second objective is to investigate the relationship between organizational commitment and employee's productivity. Therefore, the results concluded that organizational commitment has a positive relationship with employee's performance. In order to increase in employee's performance and organizational commitment the banking sectors should revise such policies that will benefit to avoid employees from tension, stress or at least to overcome some reasons of job stress.

## **6. Conclusion**

The result of the study indicate that most of the banking employees are under a great stress and feels tired, having less energy for doing works due to their stress. Similarly, employees were not committed and unsatisfied with the policies, reward and incentives provided to them.

Study has few limitations, as the study has conducted quantitative in nature and cross sectional. The study selected the banking sector of swat district. The researchers have time and financial constraints. The researcher restricts his study to three variables job stress, organizational commitment and performance. This study suggests that the management should increase work force staff to overcome the heavy workload. For minimizing the feeling of stress due to uncertainty about their exact job responsibilities, the management should give specific responsibilities to concerned employees. Therefore, the management should revise their policies to manage the time in proper way and arrange some training programs.

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