



The Impact of Work Stress on Employee Performance in Telecommunication Industry in Sri Lanka

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ABSTRACT

This research investigates the stress related problems of employees in a company and examines the relationship between stress and performance and then identifies the factors affecting stress. The impact of stress on employee performance and five components of job stress namely work load, working long hours, interpersonal relationships, and lack of opportunity for growth and advancement were examined in this study. Data were collected both in the form of primary and secondary data. Thereafter, chi-square tests concluded that stress level had a significant impact on the employee performance and work load, working long hours, lack of opportunity for growth and advancement had a significant impact on the stress level. Further, by using the general equation of binary logistic regression, the main factors of the stress level were identified along with the ways they affect the probability of getting high stress.

KEYWORDS: Binary Logistic Regression, Stress level, Rewards, Attitude, Employee Performance

1 INTRODUCTION

Identifying the causes affecting the employee performance and eliminating them in order to achieve the organizational goals and objectives effectively and efficiently and maintaining the company's competitive position in the market have become a major challenge for the organizations.

Low level of performance of the employee is one of the major problems for an organization. Therefore, the main research problem addressed by the researchers is "whether the work stress has an impact on the performance of the employees in a company".

2 LITERATURE REVIEW

Employee performance is one of the main areas of the organization. It can be defined as the job related activities expected of a worker and how well those activities are executed. In an organization, performance is measured against the targeted objectives of the organization and then, the organization identifies the strengths and opportunities for the improvement of the employees (Smith & Mazin, 2004). Stress can be also considered one of the major factors which affect the poor performance of the employees. Stress is not always negative or harmful and

indeed, the absence of stress is death (Kazmi et al., 2008).

Work stress is recognized world-wide as a major challenge to workers' health and the healthiness of their organizations (International Labour Organization, 1986).

According to Beadley & Sutherland (1994), stress is "the consequence that an individual's ability or skills fail to coordinate with the job or the job environment cannot satisfy the individual demand".

Arnold, Robertson and Cooper (1993, cited in Dwamena, 2012), identified five major causes of work stress as: factors intrinsic to the job, role in the organization, relationships at work, career development and organizational structure and climate.

Many researchers found that working hours also become a major source for employee stress (Leka et al, 2003; Dwamena, 2012; Stone, 2002). Work overload is another major aspect of working life which has been linked to the stress of employees (Defrank & Ivancevich, 1998; Bashir & Ramay, 2010; Sparks & Cooper, 1999, Taylor et al., 2005). Most employees experience work overload

when the employee is expected to do more than the time permits (Subbulaxmi, 2002; Dwamena, 2012).

Arnold, Robertson and Cooper (1993, cited in Dwamena, 2012) also stated that relationship at work as a main source of employee stress. The relationships with bosses, peers and subordinates can considerably affect the behavior of the employee.

3 METHODOLOGY

This research was designed to identify the significance of employee performance in the company and factors that affect work stress. For that, it was decided to conduct a comparison between work stress and other selected factors which affect employee performance.

After the identification of the factors that affect employee performance and work stress, for the sample, only three sections were selected as low performance out of forty five sections based on performance level. Among the selected three sections, the lowest performing section was selected to collect data. The study used both primary and secondary data. Employee Performance data and performance evaluation forms were collected from the HR department. Factors affecting low performance and work stress data were collected from a questionnaire. Furthermore, chi square analysis and binary logistic model were used for these data.

4 ANALYSIS AND RESULTS

Table 1: Summary of Association between Work Stress and Independent Factors

	Pearson Coefficient	P value	Significant value	Result
Knowledge and Skills	.744	.395	>0.05	Accept H ₀
Level of Stress	51.509	.000	< 0.05	Reject H ₀
Rewards	.006	.941	>0.05	Accept H ₀
Attitude	.006	.937	>0.05	Accept H ₀

Therefore, at 5% level of significance, there is enough evidence to conclude that there is an association between the level of stress and employee performance.

Table 2: Summary of Association between Work Stress and Independent Factors

	Pearson Coefficient	P value	Significant value	Result
Work Overload	39.623	.000	< 0.05	Reject H ₀
Working long hours	35.300	.000	< 0.05	Reject H ₀
Opportunity for growth	23.774	.000	< 0.05	Reject H ₀
Poor interpersonal relationship	1.585	.208	>0.05	Accept H ₀

According to table 2, it was identified that work load, working long hours, and lack of opportunity for growth and advancement are the major factors which affect stress and those factors lead to poor performance.

Table 3: Variables in the Equation

	B	S.E.	Wald	df	Sig.	95.0% C.I. for EXP(B)	
						Lower	Upper
Step 1 ^a							
Work_Load(1)	-4.543	1.182	14.783	1	.000	.001	.108
Constant	2.079	1.061	3.844	1	.050		
Step 2 ^b							
Work_Load(1)	-4.008	1.360	8.685	1	.003	.001	.261
Working_long_hours(1)	-2.974	1.288	5.330	1	.021	.004	.638
Constant	2.803	1.301	4.639	1	.031		

a. Variable(s) entered on step 1: Work_Load.

b. Variable(s) entered on step 2: Working_long_hours.

In Table 3, two independent variables show a statistically significant contribution at 5% level of significance to the dependent variable at step 2 of the method. Those variables are, work overload and working long hours.

Equation of the Binary Logistic Regression Model

$$\text{Logit } (P_{ij}) = (\text{Work Load})_i + (\text{Working Long Hours})_j$$

Where, P_{ij} is the probability of Work stress at i^{th} Work Load, j^{th} Working Long hours.

5 DISCUSSION

It is to be noted that the performance of the employees may be affected by the work stress.

It was identified that work load, working long hours, and lack of opportunity for growth and advancement are the major factors which affect stress and those factors lead to poor performance. But according to the binary logistic model, work overload, and working long hours directly affect the level of stress.

Human resources are considered as the main resource in any organization. Therefore, it is important to have a competent, skillful and a well-talented work force to gain a competitive advantage. Therefore, organizations have to give priority to manage the performance of the employees.

In accordance with these findings, the authors have recommended some strategies for the organizations to enhance the employee performance by minimizing stress.

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