
Impact of Job Stress on Employee Performance: A Study on Harischandra Mills PLC, Sri Lanka

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Abstract

The aim of this empirical study is to analyze the impact of job stress on the employees of Harischandra Mills PLC. The company experienced several negative outcomes of job stress. The researcher has observed that the high turnover rate and the high absenteeism rates are due to the impact of job stress. This company has large scale production, and has little focus on stress management within the company. Three job stress factors and their impact on job performance were identified through a comprehensive review of literature. To analyze this situation, the researcher decided to take a sample of 95 factory staff employees in the production division, due to the high prevalence of stress in the division. All the employees in the division were taken as the sample. This study is conducted under a quantitative design, and primary data was collected through a set of structured questionnaires. Multiple linear regression was used to test the hypothesized relationships. Study findings reveal that organizational and personal stress factors to be the key job stress factors influencing the company. The findings, which provide appropriate stress management practices, can have significant practical implications for the improvement of organizational performance by.

Keywords: *Personal stress factors, Organizational stress factors, Job related stress factors*

1. Introduction

Human Resource Management is a very significant function of organizational management. Human Resource Management is a series of decisions that affect the relationship between the employee and employer: it affects many constituencies, and is intended to influence the effectiveness of the employee and employer (Milkovich & Boudreau, 1988).

Job stress is one of the aspects, which has been discussed widely as it affects employees' mentality, because of which they are not able to perform effectively (Hon, Wilco & Lin, 2012). It directly affects the job performance; thus, job stress is an independent variable, and employees' performance is a dependent variable. However, job stress not the only cause for employees' performance, but it can be the cause of versatile negative outcomes such as fatigue, less encouragement towards job, employee turnover, unfaithfulness, and less punctuality (Glazer & Beehr, 2005). Stress is a status which happens when individuals recognize that the conditions or strains facing them may be beyond their endurance. The term job stress can be defined as a group of external harmful factors in the work environment, which maybe psychological, physical or social (Greenberg & Baron, 2007; Arnold & Feldman, 2000).

Job performance means the assessment of whether an employee has done their job well. This factor highly influences the achievement of organizational targets. Job performance can be viewed as an activity by which an individual is able to accomplish the task assigned to him successfully, subject to the normal constraint of reasonable utilization of available resources.

1.1. Research Problem

Harischandra Mills PLC Company, at present, is one of the market leaders of food products, with an appreciable market share. The company has adopted several strategies to improve employee performance during the past several years. Despite the strategies adopted, the company has not seen a significant improvement in employee performance. Besides, the company labor turnover and absenteeism rate have been increasing for the last few years. Employee turnover and absenteeism rate can be considered the major driving factors which cause job stress within an organization. Labour Turnover Ratios for 2015, 2016, 2017, and 2018 are 19.6%, 18.09%, 21%, and 19.85% respectively; and absenteeism rates for 2015, 2016, 2017, and 2018 are 13%, 14.7%, 11.28%, and 11.8% respectively. Recent years' Labour Turnover Ratios and absenteeism rates have been increasing with considerable changes. The general acceptable TOR is 10%, and this organization has exceeded that limit. Acceptable absenteeism rate is 2.9%, and the organization has exceeded that limit too. These Labour Turnover Values and absenteeism rates indicated that there are numerous factors that can influence employee's dissatisfaction with the job. This dissatisfaction is caused due to the high prevalence of job stress within the company.

When considering all these points it can be assumed that employees may leave the organization due to many reasons; among them job stress can be a significant aspect, which can be invisible. Therefore, the research problem of the study can be written as "What is the impact of job stress on employee performance: A study on Harischandra Mills PLC".

1.2. Research Objectives

More specific objectives of this study are to identify the impact of personal level stressors on job performance, to identify the impact of organizational level stressors on job performance, and to identify the impact of job related level stressors on job performance.

2. Methodology

This survey was carried out among a sample of 95 factory staff employees in Harischandra Mills PLC. Researcher has selected the factory staff employees, due to their working environment and the nature of the job, which can create job stress for the employees. This study was conducted by following quantitative research methodology. Data was gathered by using a structured questionnaire. The relevant data for this study was collected from primary sources and secondary sources. Finally, collected the primary data was analyzed using the SPSS package. Reliability analysis and regression analysis were used as the data analysis techniques. Books, research articles and journals were used as secondary sources to develop variables, and to get insights for the suggestions.

2.1. Conceptual Framework

This study focuses on analyzing the impact of stressors in order to achieve the research objectives, thus, the study tests the conceptual model presented below.

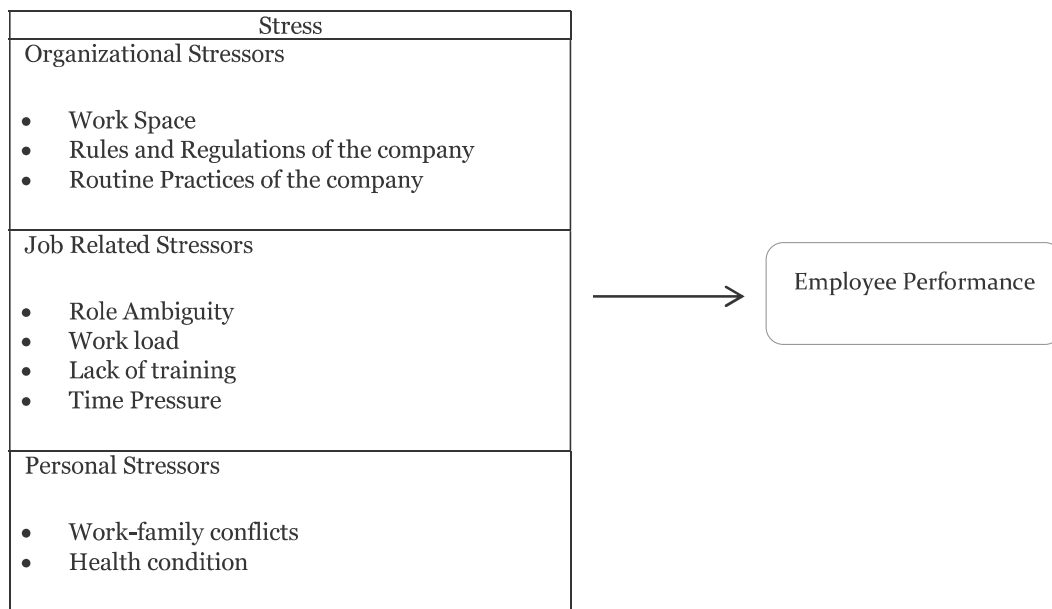


Figure 1: Conceptual Framework of the Study

2.2. Hypothesis of the study

Rana and Munir (2011) have analyzed the relationship between work stressors, such as role ambiguity, workload pressure, home-work interface, performance pressure, relationship with others, role conflicts, and job performance, with motivation as a mediator. Accordingly, the first hypothesis was developed as:

H1: There is an impact of job related stress factors on employees' performance in Harischandra mills PLC.

Moreover, Rayner and Hoel (1997) theorized that relationships at work, with bosses and colleagues, including bullying in the workplace, could result in a lot of stress. According to Blicke et al., (2010), there are six broad source of stress; that is external environment, organizational factors, job characteristics, work relationships, domestic factors, and personal factors. Therefore, hypothesis 2 was set as:

H2: There is an impact of organizational stress factors on employees' performance in Harischandra mills PLC.

Finally, personal factors have been identified as a job stress factor in the literature. Work and family conflict is associated with increase in Job stress, occupational burnout, decreased job performance, and health related issues (Amstad et al., 2011). According to Panatik et al (2012), work and family conflict is directly interlinked to stress. Accordingly, the 3rd hypothesis of the study was set as:

H3: There is an impact of personal stress factors on employee performance in Harischandra mills PLC.

3. Results

3.1. Inferential Data Analysis

This study has focused on 3 main stress factors: namely, organizational stress factors, personal stress factors, and job related stress factors. Cronbach's alpha was used to test the reliability of factors. For organizational stress factors the alpha value was 0.706, for personal stress factors the alpha value was 0.727, and for job related stress factors the alpha value was 0.702 .

3.2. Regression Analysis

Regression analysis was used to analyze the impact of job stress on job performance. Regression analysis was primarily used for causal inference and prediction. The regression demonstrated how one variable correlates with the other (Campbell, 2008).

Table 1: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .611 ^a | 0.373 | 0.353 | 0.46353 |

a. Predictors: (constant) Pers, Job, Env...

The table indicates that R=.611 shows 61.1% correlation between job stress and employee performance. There is a moderate level of correlation between the two variables. R square is the coefficient of determination, which indicates the ability of the independent variable to explain the variation of the dependent variable. It determines the extent to which the independent variable is capable of predicting the dependent variable. It shows 37.3% total variation in the linear relationship of job stress and employee performance.

Table 2: Anova

| Model | | Unstandardized Coefficients | Standardized Coefficients | t | Significance | |
|-------|-------------|-----------------------------|---------------------------|--------|--------------|-------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.013 | 0.343 | | 5.871 | 0.000 |
| | Environment | 0.34 | 0.052 | 0.561 | 6.478 | 0.000 |
| | Job Related | -0.021 | 0.056 | -0.032 | -0.375 | 0.708 |
| | Personal | 0.177 | 0.056 | 0.262 | 3.144 | 0.002 |

Dependent variable: Performance

Table of ANOVA shows a level of significance, since the value of “P” is less than 0.05. Therefore, it is accepted that environmental stress factors and personal stress factors have a significant impact on Employee performance.

4. Conclusion

Under this research, organizational, job related, and personal stress factors are discussed. In the context of employee performance in Harischandra Mills PLC, Job related stress factors do not have an impact on employee performance. However, personal stress factors and organizational stress factors have an impact on employee performance.

4.1. Recommendation

Recommendations are stated by considering the results of the findings. According to the results of the study, it was understood that the employees do not have a clear idea of their job duties and responsibilities. If the company implements a proper induction program for the new recruits, it may help them to get familiar with the job duties, as well as the job environment, and that will help to cope with environmental stress. The organization should expand the health maintenance programs, and conduct stress reduction workshops to maintain good mental and physical health of the employees, in order to reduce personal level stressors. To build good relationships between employees and other management level members, organizing annual trips and other special gatherings will be beneficial. Thus, the unity and mutual understanding among the employees can also be improved.

4.2. Limitations of the Study

The researcher conducted the research only on a selected firm and industry; therefore, the conclusions and recommendations are not applicable to the whole industry until further studies prove that they are applicable to other organizations and industries.

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