

## IMPACT OF JOB STRESS ON JOB SATISFACTION- AN EMPIRICAL STUDY

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### ABSTRACT

Deregulation, financial innovation, securitization, globalization, competition and technological advances in banking sector have changed the entire work set up in banks. The rapid transformation in the banking industry over the last decade has made the industry stronger, transparent, efficient, faster and more competitive. There is a paradigm shift in the work culture of bank employees. This has pressurized and made employees to give their maximum at work place. This study is an attempt to analyze the influence of various factors leading to job stress and their influence on the job satisfaction of employees in the banking sector. For this the primary data was collected from 100 sample respondents (bank employees) from 5 commercial banks of Mangalore city by convenience sampling method. For this purpose, structured questionnaire was employed to collect the primary data from the selected sample respondents. The study uses Statistical tools like factor analysis and Correlation to understand the job stress and its impact on job satisfaction among the bank employees in the eve of changing banking scenario.

**Keywords :** Job stress, bank employees, work place, job satisfaction, changing scenario.

**INTRODUCTION:**

The Indian banking industry is facing newer challenges in terms of narrowing spreads, new banking products, players, mergers and acquisitions. Adoption of risk management tools and new information technology is now no more a choice but a business compulsion. Technology product innovation, sophisticated risk management systems, generation of new income streams, building business volumes and cost efficiency will be the key to success of the banks in the new era. In the present environment where change is invisible, it is not enough if banks change with the change, but they have to change before the change. Change is the only constant factor in this dynamic world and banking is not an exception. They should perceive what the customer wants and accordingly structure their products and services to suit the customer needs.

**THE RELATIONSHIP BETWEEN JOB SATISFACTION AND JOB STRESS:**

Borg et al, (1991) stated that the relationship between job satisfaction and job stress is well established and is a negative one. That is higher job satisfaction is related to lower job stress, and vice versa. Job stress can reduce productivity, increase mistakes and accidents at work, encourage absenteeism, lower morale, increase conflict with others and cause physical and emotional problems (Pflanz & Ogle, 2006) and finally poor life satisfaction (Pawar & Rathod, 2007). High levels of work stress are associated with low levels of job satisfaction. Sanchez, et al., (2004) found that job pressure was negatively associated and was the most important predictor of job satisfaction.

**REVIEW OF LITERATURE:**

Job stress also known as work stress or Occupational stress has been defined as the experience of negative emotional states such as frustration, worry, anxiety and depression attributed to work related factors (Kyriacou, 2001). Occupational stress can result in psychological, physical and behavioral consequences for individuals. These outcomes, in their various forms, can prove quite costly to individuals and organizations to which they belong.

According to Fairbrother and Warn (2003), occupational stress can be negatively related to job satisfaction among navy trainees onboard ship. They also revealed that the most important features of stress onboard ship are uncertainty and loss of control.

Job satisfaction is employee reactions towards their work experiences (Berry, 1997), emotional state or reactions toward the job (Gruneberg, 1979, Landy & Conte, 2004), how positive people feel about their jobs, aspects of their jobs (Spector, 1997) and work situations (Wood, Wood & Boyd, 2007). Satisfaction on the job reflects important employee attitude towards their job (Spector, 1997), indicating what makes a job enjoyable and a satisfying working environment (Smither, 1994). Thus, job satisfaction is often considered to be an indicator of employee emotional well-being or psychological health leading to indicate behavior that could effect organizational functioning. Job satisfaction is often considered to be the most interesting variable in industrial and organizational psychology research (Smither, 1994).

Sinha and Sengupta (1991) in their study reported that bank managers use their authority only to a small extent which correspond with their low powerfulness in making recommendations for promotion as well as training and sanctioning measures for taking disciplinary action in the case of non managers. Srivastava and Sinha (1983) stated that employees highly involved in their jobs are less stressed by overload and ambiguities in their job roles as compared with those moderately or low involved in their jobs. Another study by them reports non managerial staff of the major nationalized banks of 1980 and 1969 to have greater power over the managerial staff although the contrary was believed to be ideal.

Naina Merchant (1995) in her thesis 'An exploratory study: Structure of stress among bank officers', submitted to The academic council of the Tata institute of social sciences stated that the branch managers

in a bank allocates tasks to staff members, but lacks the power to ensure completion. Responsibilities held by other people are shifted to the branch manager. Senior and junior staff members, customers and clients who come directly in contact with the manager may pose problems, but with incomplete authority of power. Probably these groups of respondents are made scapegoats.

**NEED FOR THE STUDY:**

Although a lot of studies have been conducted on job stress and job satisfaction in many sectors, but hardly any study is conducted in the banks. Banking is a service industry and hence the staff morale is very much important to deal with the customers effectively and positively. There was a day when the banks worked like kings ruling the kingdoms but the scenario has completely changed. Today the customer is the king and the banks have to go a step ahead to treat the customers with respect and render all the services to keep them happy. Banks are doing what they can to distinguish themselves from each other and one of the most effective ways of achieving distinction will be to serve customers with friendly, dedicated and well-motivated staff. Hence it is very essential that the employees in the banking sector to have high job satisfaction. In this juncture, the present study is undertaken to address specific problems of bank employees related to job stress and its influence on job satisfaction.

**OBJECTIVES:**

- To understand the factors influencing job stress.
- To analyze the influence of job stress on job satisfaction.
- To find the association between the various factors affecting job satisfaction.

**RESEARCH METHODOLOGY:**

The validity of any research is basically dependent on the systematic method of data collection and analysis. Primary data was used for the present study. The primary data was collected through a survey of 100 sample respondents from selected 5 public sector banks which originated from Dakshina Kannada District. Questionnaire was the tool used to collect the primary data from the selected sample respondents. For this purpose, a well structured questionnaire was framed with the help of research expert. Field survey method was employed to collect the primary data from the selected sample respondents. The statistical tools used for analyzing the data were descriptive, factor analysis and correlation.

**EMPIRICAL RESULTS**

**TABLE 1: FACTOR ANALYSIS.**

KMO and Bartlett's Test		
Kaiser-Meyer - Olkin Measure of Sampling Adequacy.		.515
Bartlett's Test of Sphericity	Approx. Chi-Square	3025.122
	df	276
	Sig.	.000

The significance (0.000) is less than the assumed value (0.05). So we reject null hypotheses (H0 factor analysis is not valid) and conclude that factor analysis is valid. KMO coefficient (0.515) is more than 0.5 which implies factor analysis for data reduction is effective.

**TABLE 2: EXTRACTION METHOD: PRINCIPAL COMPONENT ANALYSIS.**

Using the Principle Component Analysis six factors have been extracted based on Total Explained Variance (Eigen value over 1). So we conclude that the variables can be reduced to six factors.

Table 2 shows the percentage of variance, cumulative percentage and the total variance of the variable identified for the study. The six factors extracted together account for 78.65% of the total variance. So the number of variables is economized from 24 to only six, thus losing only about 21.35% of the information content (78.65% is retained by the 6 factors extracted out of the 25 original variables).

**ROTATED COMPONENT MATRIX**

	Component					
	1	2	3	4	5	6
VAR00001	.418			.601	-.315	.397
VAR00002	.494			.474		.495
VAR00003	.729					.345
VAR00004		.706				
VAR00005		.733		-.445		.312
VAR00006	.374	.496			.355	.384
VAR00007					.796	
VAR00008	.342	.305			.789	
VAR00009		.762	.381	.337		
VAR00010		.758				
VAR00011			.581	.430	.445	
VAR00012	.345		.780			
VAR00013			.775			
VAR00014	.889					
VAR00015		.329	.851			
VAR00016		.458		.735		
VAR00017				.821		
VAR00018						.870
VAR00019	.679	.337		.365		
VAR00020	.814	.352		.323		
VAR00021		.566	.471	.389		.426
VAR00022			.528	.341		
VAR00023	.621		.619			
VAR00024	.745			.405		

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**a. Rotation converged in 22 iterations**

**THE EXPLORATORY FACTOR ANALYSIS:**

Factor analysis is used to understand the important factors influencing job satisfaction and how job stress has its influence on it. There were around 24 variables taken into consideration for research which

Serial No.	Factor 1 – PERSONAL FACTORS	Scores
1	Fear of making mistakes that can lead to serious consequences.	.729
2	Cannot participate in decision - making	.889
3	My life is too centered on my work	.679
4	Work demands affect my home/personal life	.814
5	Lack of promotion prospects	.621
6	Impact of occupational stress on employee job satisfaction	.745
<b>Factor 2– WORK ENVIRONMENT</b>		
7	Lack of support from superior	.706
8	Unfair assessment from superior	.733
9	Discrimination and favouritism	.496
10	Working with uncooperative colleagues	.762
11	Relationship problems with colleagues/subordinates	.758
12	Absence of emotional support from family	.566
<b>Factor 3– ADMINISTRATIVE BOTTLENECKS</b>		
13	Work delayed by unnecessary red tape	.581
14	Too much administrative work or paperwork	.780
15	High staff turnover	.775
16	Lack of authority to carry out my job duties	.851
17	Under pressure to do things against my professional ethics	.528
<b>Factor 4- WORK PRESSURE</b>		
18	Work Overload	.601
19	Having to do unnecessary task or project	.735
20	Having to work continually, to achieve self- set target	.821
<b>Factor 5- JOB INSECURITY</b>		
21	Feeling of being underpaid	.796
22	Feeling insecure in this job	.789
<b>Factor 6– PSYCHOLOGICAL STRAIN</b>		
23	Time pressure and deadlines to meet	.495
24	My work is mentally straining	.870

are grouped under 6 major heading or factors as follows: Personal factors, work environment, Administrative bottlenecks, Work pressure, Job insecurity and Psychological strain. The various statements were grouped under each factor, depending upon the maximum score obtained (table 2) in rotated matrix of factor analysis using SPSS software package.

**Factor 1 – PERSONAL FACTORS:** Satisfaction of an employee on the job depends on a number of personal factors. We notice that variables 3, 14, 19, 20, 23 and 24 have loadings of 0.729, 0.889, 0.679, 0.814, 0.621 and .745 on factor 1; this suggests that factor 1 is a combination of these six variables.

**Factor 2– WORK ENVIRONMENT:** The effectiveness of an individual depends on the work environment in which he operates. In case of the factor 2, the variables 4, 5, 6, 9, 10, and 21 have high loadings of 0.706, 0.733, 0.496, 0.762, 0.758 and .566 respectively. This indicates that factor 2 is the combination of these six variables.

**Factor 3– ADMINISTRATIVE BOTTLENECKS:** Excessive paperwork, low involvement in decision-making, bureaucratic structure are some of the flaws in administration and influences the job satisfaction of an employee. In case of factor 3, the variables 11, 12, 13, 15, and 22 have high loadings of .581, .780, .775, .851 and .528 respectively. This indicates that factor 3 is the combination of these five variables.

**Factor 4- WORK PRESSURE:** Job pressure is a vital factor in determining the level of stress and job satisfaction of an individual. In case of factor 4, the variables 1, 16 and 17 have high loadings of .601, .735 and .821, respectively. This indicates that factor 4 is the combination of these three variables.

**Factor 5- JOB INSECURITY:** Performance of an individual in the work place depends on the feeling of job security. In case of factor 5, the variables 7 and 8 have high loadings of .796 and .789, respectively. This indicates that factor 5 is the combination of these 2 variables.

**Factor 6– PSYCHOLOGICAL STRAIN:** Mental soundness of an employee is a significant factor influencing work stress. In case of factor 6, the variables 2 and 18 have high loadings of .495 and .870. This indicates that factor 6 has only two variables. Thus 24 variables, which were selected for the study, using principle component analysis, have been reduced to 6-factor model and each factor has been associated with the corresponding factors based on the values obtained from the rotated component matrix table.

**TABLE 3: DESCRIPTIVE STATISTICS FOR FACTORS INFLUENCING JOB SATISFACTION**

Sl.No.	Factors	Mean	SD	Interpretation
1	Personal factors	2.80	1.016	high
2	Work environment	2.19	.789	low
3	Administrative bottlenecks	2.35	.864	moderate
4	Work pressure	2.46	1.082	moderate
5	Job insecurity	2.14	1.090	low
6	Psychological strain	2.85	1.154	high

It is inferred from above table that the factor, like Psychological strain has greater mean scores of 2.85 which is considered as important factor affecting job satisfaction in comparison with other factors. The other factors which have high influence on job satisfaction are ‘personal factors’ with mean scores of 2.80. There are many other factors of stress which has an influence on job satisfaction among employees in the banking sector like, Work environment, Administrative bottlenecks, Work pressure and Job insecurity with mean scores of 2.19, 2.35, 2.46, and 2.14 respectively.

For the purpose of better understanding personal factors and psychological strain has a high influence on job satisfaction of the employees. Factors such Administrative bottlenecks and work pressure have a moderate effect and Job insecurity and work environment have a low effect on stress and its impact on job satisfaction of bank employees. Thus personal factors and psychological strain must be addressed in order to increase the job satisfaction of bank employees.

**CORRELATION:**

In this study, to test the correlation between various factors listed, bivariate correlation technique was used to confirm the correlation between these factors.

**TABLE 4: CORRELATION BETWEEN FACTORS**

		Correlations					
		PERSONAL	WORKENVI	ADMNISTR	PRESSURE	INSEC	PSYCHO
PERSONAL	Pearson Correlation	1	.395**	.235*	.549**	.250*	.573**
	Sig. (2-tailed)	.	.000	.019	.000	.012	.000
	N	100	100	100	100	100	100
WORKENVI	Pearson Correlation	.395**	1	.533**	.294**	.476**	.261**
	Sig. (2-tailed)	.000	.	.000	.003	.000	.009
	N	100	100	100	100	100	100
ADMNISTR	Pearson Correlation	.235*	.533**	1	.284**	.314**	.180
	Sig. (2-tailed)	.019	.000	.	.004	.001	.073
	N	100	100	100	100	100	100
PRESSURE	Pearson Correlation	.549**	.294**	.284**	1	-.050	.496**
	Sig. (2-tailed)	.000	.003	.004	.	.622	.000
	N	100	100	100	100	100	100
INSEC	Pearson Correlation	.250*	.476**	.314**	-.050	1	.095
	Sig. (2-tailed)	.012	.000	.001	.622	.	.346
	N	100	100	100	100	100	100
PSYCHO	Pearson Correlation	.573**	.261**	.180	.496**	.095	1
	Sig. (2-tailed)	.000	.009	.073	.000	.346	.
	N	100	100	100	100	100	100

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

\* . Correlation is significant at the 0.05 level (2-tailed).

It is observed that there is a high positive correlation between Psychological strain and personal factors with 'r' value of 0.573. The correlation is significant at 95% confidence level. This means that due to personal factors such as work demands affecting home life, lack of promotion prospects, non involvement in decision making and fear of making mistakes that could lead to serious consequences employees are in which they are psychologically strained at the work place. This would reduce their efficiency and effectiveness at the work place and ultimately would be a major factor for job dissatisfaction.

It is also seen that there is positive correlation between job insecurity and personal factors with 'r' value of .250. The correlation is significant at 99% confidence level. This means that the feeling of being underpaid brings in a lot of job insecurity and all this will be more influenced by personal factors which are already stated above. Employees well being is the key element for high job satisfaction.

**RESEARCH IMPLICATIONS:**

This research was undertaken to know the influence of occupational stress on job satisfaction in the present changing scenario. Based on convenience sampling method, primary data (structured questionnaire) was collected from 125 respondents of Mangalore city. An attempt was made to study the factors influencing job stress and job satisfaction in relation to demographic factors. Descriptive studies of demographic factors revealed that majority of the respondents were male (60.8%). The majority of the respondents (35.2%) belong to above 46 years. Education wise majority of the respondents have UG (32.8%) and PG (37.6%) qualification. Majority (75.2%) of the respondents are from urban. Majority (60.8%) are clerks, 18.4% managers and 17.6% special assistants respectively. Majority (42.4%) of the respondents were in the income group of 75000-150000.

Based on the statements in the questionnaire, factors were identified. Before that, to check the validity of factor analysis to be adapted, KMO and Bartlett's test was done and found to be valid. Factor analysis was done to explore the factors affecting job satisfaction. After factor analysis (rotated matrix) six factors were identified such as personal factors, work environment, Administrative bottlenecks, Work pressure, Job insecurity and Psychological strain which had an influence on job satisfaction in the present changing competitive world. It is also observed that personal factors and psychological strain due to

occupational stress had a high influence on job satisfaction of the employees. Factors such Administrative bottlenecks and work pressure have a moderate effect and Job insecurity and work environment had a low effect on stress and its impact on job satisfaction of bank employees.

Further there is a high positive correlation between Psychological strain and personal factors which means that due to personal factors such as lack of promotion prospects, non involvement in decision making and fear of making mistakes that could lead to serious consequences, and have direct impact on the employees' psychology at the work place. This would reduce their productivity.

### CONCLUSION:

The commercial banking business has changed dramatically over the past 25 years, due in large part to technological change. Advances in telecommunications, information technology, the various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, Retail Banking, Debit & Credit cards, free advisory services, implementation of standing instructions of customers, payments of utility bills, fund transfers, internet banking, telephone banking, mobile banking, selling insurance products, issue of free cheque books, travel cheques and many more value added services. This has targeted the bank employees to be effective and efficient at work place. There is job stress because of which, the performance of employees are affected. From the above study conducted we conclude that personal factors and psychological strain due to job stress has a major impact on job satisfaction of the employees and Job insecurity and work environment had a low effect on stress and its impact on job satisfaction of bank employees.

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