Effect of Stress on Employees’ Job Performance of Commercial Banks in Delta State, Nigeria

OKWUISE, Uguru Young* and OZIENGBEORIUWA, Iyobosa Godwin2

1,2Department of Business Administration, Faculty of Management Sciences, Delta State University, Abraka.

DOI: https://doi.org/10.56293/IJMSSSR.2023.4711

Abstract: The purpose of the study is to determine how stress affects the work performance of employees at selected banks in Delta State, Nigeria. The study, anchored on the Selye stress theory, and adopted the survey research design. The study population consists of all staff of six selected commercial banks in Delta State. A sample size of 276 was used for the study. The study's findings showed that while role ambiguity and organizational change had significant negative effects on employees' job performance, workload and time pressure had a significant positive effect. The study comes to the conclusion that workers’ job performance at commercial banks in Delta State is impacted by stress, and recommends amongst others that flexible workload should be incorporated into policies of banks to enhance employee productivity and commitment that will increase corporate survival.

Keywords: Stress, Employee Job Performance, Workload, Time Pressure, Organizational Change.

1.0 Introduction

Workplace stress is a relatively new phenomenon in modern life, and the nature of work has undergone significant changes over the previous century and is now changing at a breakneck pace. The ever-changing demands of the working environment can increase levels of stress, especially for those who are consistently working under pressure such as bank and medical workers (Ajayi, 2018; Ruotsalainen, Verbeek, Mariné, & Serra, 2015). Work stress has touched almost all professions starting from an artist to a surgeon or a commercial pilot to sales executive. With the changing work environment, workplace stress is becoming inevitable. Stress has been defined in many different ways over the years. It is the emotional and physical manifestation that occurs when a person's resources are insufficient to enable them to adjust to the demands and stresses of their situation (Maulik, 2017). In this sense, stress is more common in some circumstances and in some people. Stress can weaken linkages as well as individuals' goals.

Individuals' behavior, especially changes in behavior, might reveal signs of stress. Intense reactions to stress may manifest as physical manifestations such as palpitations, nausea, and cerebral pains as well as emotional manifestations such as unease, melancholy, irritability, and exhaustion. They may also manifest as behavioral responses such as being repressed, forceful, weepy, or unmotivated. Stress can disrupt the functioning of the neuroendocrine, cardiovascular, autonomic, and immune systems, leading to mental and physical health problems (including worry, misery, and heart disease) if it persists. Circumstances that are probably going to cause stress are those that are eccentric or wild, questionable, equivocal or new, or including strife, misfortune or execution desires.

According to Ajayi (2018), workplace stress is increasing and is becoming a problem for companies since high stress levels have a negative impact on productivity, increased absenteeism, and a host of other employee issues like alcoholism, drug addiction, hypertension, and cardiovascular issues. Stress can result in a range of physiological and psychological symptoms, depending on the particular circumstances surrounding each individual (Onwuzuligbo, 2015). Stress has significant negative effects on people's lives, including suffering, disease, and social and occupational impairment. The secrets to leading a contented and successful life in contemporary society is the process of stress management. Even though dealing with all of life's obligations might be challenging, stress...
management offers a variety of strategies for controlling anxiety and preserving general wellbeing. Although, several studies have indicated the detrimental effect of stress, such studies are relatively absent among commercial bank workers in Delta State, Nigeria. This study intends to fill this research gap.

2.0 Conceptual Review

Stress

Workers all throughout the world encounter stress on a regular basis. Employers are becoming increasingly concerned about the effects of stress on worker performance, especially in developing nations where managers are less knowledgeable of how stress affects managerial responsibilities and stress management (McHugh, 1993). Stress is a generic phrase used to describe a variety of psychologic (mental) and physiologic (bodily) stresses that people experience or feel throughout their lives (Shanjabin, Khatun, & Hossain, 2021). According to O'Connor, Thayer and Vedhara (2021), stress is a physical, physiological, or emotional component that creates physical or mental tension and may contribute to the development of disease. Stress, according to Aduaka (2015), is the rate at which life’s wears and tear occurs. He called these stressors, which can be psychological, physiological, social-cultural, or physical in nature. Stressors include feeling tense, anxious, frustrated, or as like you've been mistreated, as well as being in conflict situations. Nweze (2015) lists overwork, unclear instructions, arbitrary deadlines, poor decision-making, job insecurity, remote work environments, surveillance, and insufficient child care as some possible sources of work-related stress.

The following stressors are listed by Fonkeng (2018): (i) chronic stress, which appears to last for an intermediate duration yet wears on a person day after day with no obvious evidence of relief; (ii) traumatizing stress that follows a traumatic experience or event, such as an accident, a natural disaster, etc., and (iii) the most prevalent and recognizable type of stress is acute stress, which is frequently brief and does not cause any long-term harm to the body. It might be the outcome of someone having a hectic day. Bhui, Dinos, Galant-Miecznikowska, de Jongh, and Stansfeld (2016) describe worker stress as the relationship between an individual and the stressors present at their place of employment. According to Cox, Dewe, and Ferguson (2017), stress is not solely an individual's or his environment's mental attitude; rather, it is the interaction—also known as an ongoing transaction—between them, or the relationship between a person and their environment. An average amount of stress is present in every organization and among all workers, and it is this level of stress that most affect how well employees perform at work.

Work Overload

Employee work overload is when employees have more work than they can finish during their workday. It can cause stress, burnout, and lower productivity. Productivity overload can happen when we have too much work to do and not enough time to do it (Akinsuyi, 2022). This can lead to exhaustion and frustration. It can also harm our ability to focus and keep attention on tasks. There are three types of cognitive overload, according to Arnold, Cooper, and Robertson (2015), intrinsic load, extraneous burden, and germane load. A person's general mood and emotional health are impacted by overload. This, in turn, affects their relationships with people at work and in their personal life, as well as their performance. Workers who are overworked frequently experience increased anxiety because they worry about keeping up with their workload, particularly when they are pressed for time. Heavy workloads can also lead to depression, for example, when workers believe they are operating at maximum efficiency but their workloads just keep growing. When this results in depression, it can worsen their work output and their relationships with family, friends, and coworkers. According to Azeem and Akhtar (2015), work overload can lead to: stress and exhaustion, poor work quality and performance, burnout and reduced motivation, and high employee turnover.

Time Pressure

Time pressure, a type of stress related to work, arises when a task has to be finished within a certain period of time. Pressure can affect employee performance and productivity in both positive and negative ways, depending on its level and context (Beheshitifar & Nazarian, 2017). The well-being and work-life balance can both be impacted by time constraints. Cox et al. (2017) listed some potential ways to lessen time constraints and stress to
include prioritize work, assign responsibilities, clarify expectations, and offer feedback. According to Bruce (2015), working under time pressure might happen when a big or complicated task needs to be completed in a short amount of time. Time constraints are a component (or source) of stress at work. Having to meet deadlines, having inconsistent expectations, working for a manager who demands extraordinary performance, rearranging roles in group tasks when a member becomes unexpectedly unavailable, working during periods of high employee demand, managing emergencies requiring precise actions to prevent losses, and working understaffed are some of the situations that can put pressure on employees at work (Cox et al., 2017). Other typical workplace stressors include low pay, excessive workloads, little opportunities for professional development or promotion, uninteresting or unchallenging work, a lack of social support, and a lack of sufficient control over decisions that pertain to one's employment. According to Cox et al. (2017), deadlines that are given for the near future inspire people to start working on their projects, whereas deadlines that are put for the future cause procrastination. People are driven by time constraints to make decisions more rapidly and limit their options.

Role Ambiguity

When an employee is unclear about what is expected of them in their function within the company, it's known as role ambiguity. It can stem from poor management practices, unfavorable work environments, or vaguely defined tasks. It can cause work-related stress and affect the employee's performance and satisfaction (Cross, 2019). According to Deasy, Helen, Ribka, Fergyanto, Muhammad and Perwira (2021), ambiguity in a job description means that the job description is vague or unclear about the responsibilities, expectations and boundaries of the role. It can make it hard for an employee to understand what he needs to do and how to do it well. Some examples of ambiguity in a job description according to Deasy et al. (2021) are: lack of specific tasks or goals, overlapping or conflicting duties with other roles, unclear reporting lines or authority levels, undefined performance indicators or evaluation criteria.

Organizational Change

To improve operations and address new difficulties, an organization may need to change its structure or other important components (Fonkeng, 2018). A company's strategy, policies, practices, technology, culture, or methods of operation must change. Organizational change typically occurs in response to or as a result of demands from the outside or the within. According to Hoel (2012), the company's technique for successfully implementing these changes is organizational change management. The topic of organizational change and its effect on workplace stress looks at how changes in the workplace, such as downsizing, restructuring, or mergers, impact the psychological and physical health of employees. Long-term stress at work, a loss of trust, a spike in turnover, emotions of powerlessness, rage, and fear, as well as health problems, can all be brought on by organizational change. Employees that are affected by change may need support and coping strategies to deal with the challenges and transitions.

Employee Performance

Within the last few years, researchers and practitioners have shown renewed interest in the concept of employee job performance (Aruoren, & Ugbehe, 2023; Aruoren & Oisamoje, 2023). How effectively a person performs their job responsibilities and tasks is known as employee performance. Otuya and Akporien (2020) defined employee job performance as task-level efficacy, quality, and efficiency of work. Employee productivity greatly affects both their career prospects and the effectiveness of the company. Employee performance evaluations are a technique used by businesses to track and enhance employee performance over time. According to Sobel (1995), an employee's ability to perform depends on their willingness to accomplish their work as well as their level of transparency. Additionally, he said that having people that are willing and transparent in their work could boost productivity, which in turn affects performance. Enofe, Mgbame, Otuya and Ovie (2013) added that in order for an employee to perform to a standard, an employer must ensure that their tasks are completed in a way that advances the organization's objective. Employers may be able to keep an eye on their staff members and assist them in enhancing their performance if the work is completed on schedule. Stup (2015) has identified a number of aspects that contribute to the effectiveness of employees' performance. The elements include things like the actual workspace, tools, purposeful work, performance standards, performance feedback, rewards for good or bad work, standard operating procedures, knowledge, abilities, and attitudes. Figure 1 shows the conceptual
framework for the study. The framework depicts the hypothesised relationship that exits between stress and employee job performance.

**Independent Variables**

![Conceptual Framework Diagram]

**Dependent Variable**

**3.0 Theoretical Framework**

This study is anchored on the Selye stress theory. The idea was established in the 1960s by endocrinologist Hans Selye, a Hungarian-Canadian. It viewed stress as a significant life event or change that requires reaction, adjustment, or adaptation. He argued that stress has three stages: alarm, resistance, and fatigue, and that it is the body's general reaction to any demand or task. The foundation of Selye's theory of stress is the notion that stress is the body's general reaction to any environmental disturbance. He suggested that stress can be either good or negative (eustress or distress), and that it can result in a general adaption syndrome with three stages: alarm, resistance, and weariness.

**4.0 Empirical Review**

There has been much discussion regarding the relationship between workplace stress and employee job performance, with varying conclusions. Iskamto (2021) examined the impact of workplace stress on worker performance in their study. Findings revealed that employee performance is significant and negatively related to work stress. Ogah (2020) investigated the impact of stress management on staff performance of deposit money banks in Osogbo, Osun State, Nigeria. All employees of Guarantee Trust Bank Plc, First Bank of Nigeria Plc, and Access bank made up the target population for the descriptive survey study design. According to the findings, organizational change and job overload have a big impact on how well employees perform.

In Indonesia's industrial sector, Deasy et al. (2021) examined how work stress affected workers' performance. 93 staff members from diverse manufacturing companies participated in the study, and the findings indicated that employee performance is significantly impacted by workplace stress. The impacts of workplace stress on employee performance were examined by Cross (2019), who also looked at the nature, kinds, and effects of work stress on employee productivity. According to the study's findings, when stress is not properly managed, absenteeism, turnover, and medical costs rise, and productivity declines. Stress should be appropriately controlled and its adverse effects should be kept to a minimum in order to perform at your best. Ajayi (2018) used the Nigerian Banking Industry as a case study to examine the impact of stress on employee performance and work satisfaction.
For this study, a sample of 150 people was taken. Data were collected through a questionnaire, and analysis included calculating means, frequency distributions, percentages, and testing a hypothesis using the Pearson Product Moment Correlation Technique. The results showed that workplace stress is on the rise and has become a challenge for employers because high levels of stress lead to poor performance, increased absenteeism, and a host of other employee issues like alcoholism, drug abuse, hypertension, and cardiovascular issues.

In a related study, Okeke, Chukwuemeka, and Amobi (2017) investigated the relationship between non-teaching staff performance at particular universities in Southeast Nigeria and occupational stress. The results of the study, which employed a descriptive survey approach, show that non-teaching staff members' performance is positively impacted by occupational stress. In the Awka Metropolis of Anambra State, Nigeria, Okeke, Ojueke, and Oboreh (2016) conducted a study on the impact of stress on staff productivity in the banking sector. A descriptive survey was used in the design of the study. The findings demonstrated that the stress of a heavy workload significantly reduces employee productivity. Stress was also proven to impair employees' ability to perform well. The study comes to the conclusion that management should permanently implement corrective actions targeted at reducing workplace stress.

From this review, we propose that:

H₀₁: Work overload has no significant influence on employee performance.
H₀₂: Time pressure has no significant influence on employee performance.
H₀₃: Role ambiguity has no significant influence on employee performance.
H₀₄: Organizational change has no significant influence on employee performance.

5.0 Methods

Population and Sample

The study adopted a survey research design. The study population consisted of all junior, senior, administrative and managerial staff of six selected banks (Eco Bank, Fidelity Bank, Guarantee Trust Bank, United Bank for Africa, Unity Bank and Zenith Bank) in Delta State. The total population was 890 staff. Taro Yamane sample size formulor was used to determine the sample size of 276. A questionnaire titled “Effect of Stress on Employee Performance (ESEP)” developed to collect data for the study. Participants responded to the questionnaire items on a 5 point Likert scale ranging from ‘1 = Strongly disagree’ to ‘5 = Strongly agree’.

Model Specification

To be able to empirically analyze the relationship between stress and employee job performance, a regression analysis model was adapted as indicated below:

\[
EMP = f(STR)
\]
\[
EMP = \beta_0 + \beta_1 WKO + \mu
\]
\[
EMP = \alpha_0 + \alpha_1 TIM + \mu
\]
\[
EMP = \Omega_0 + \Omega_1 ROL + \mu
\]
\[
EMP = \delta_0 + \delta_1 ORG + \mu
\]

Where, EMP = Employee Job Performance; STR = Stress; WKO = Work Overload; TIM = Time Pressure; ROL = Role ambiguity; ORG = Organizational change; \( \mu \) = Error term; \( \beta_0, \alpha_0, \Omega_0, \delta_0 \) = Constant terms; and \( \beta_1, \alpha_1, \Omega_1, \delta_1 \) = Regression coefficients.

6.0 Results

Socio-demographic Profile of Respondents

The demographic distribution of the respondents shows 67% of the respondents are female. It is further observed that eighty percent of respondents are married. The distribution also showed that 94% of the respondents had a
higher degree (HND/BSC). In terms of employment status, 64% are junior staff while 36% are senior and management staff.

**Mean, Standard Deviation, Cronbach Alpha, and Correlation Coefficients**

Table 1 shows the mean, standard deviation (SD), Cronbach alpha (α), and correlation coefficients among the variables studied in this research. As shown in Table 1, the mean for WKO, TIM, ROL, ORG, and EMP were 3.21, 4.02, 3.83, and 4.15 respectively, while their corresponding standard deviation were 0.61, 0.70, 0.87, 0.79, and 0.84 respectively. The mean values are clear indication that the respondents support all the items in the research instrument as good indicators for assessing the link between these variables (Aruoren & Echewa, 2023). Also, the standard deviation indicates that the perceptions of respondents on WKO, TIM, ROL, ORG, and EMP in the banks are not far from each other. The study also demonstrated a statistically significant correlations between the study variables. The correlation coefficient between EMP and WKO, TIM, ROL, ORG were 0.251, 0.413, -0.512, and -0.455 respectively (Table 1), while the correlation between ORG and WKO, TIM, ROL were 0.322, 0.231, and 0.121 respectively. Furthermore, the correlation between ROL and WKO, TIM were 0.112, and 0.401 respectively (Table 1). Finally, the correlation between TIM and WKO was 0.313. All these correlation coefficients were significant at $p < 0.05$, with none of them exceeding 0.8 as recommended by Gujarati (2003) which may indicate the absence of multicollinearity.

**Table 1: Mean, Standard Deviation, Cronbach Alpha, Correlation Coefficients**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
<th>WKO</th>
<th>TIM</th>
<th>ROL</th>
<th>ORG</th>
<th>EMP</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKO</td>
<td>3.21</td>
<td>0.61</td>
<td>0.77</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TIM</td>
<td>4.02</td>
<td>0.70</td>
<td>0.84</td>
<td>0.313*</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROL</td>
<td>3.75</td>
<td>0.87</td>
<td>0.80</td>
<td>0.112*</td>
<td>0.401*</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORG</td>
<td>3.83</td>
<td>0.79</td>
<td>0.79</td>
<td>0.322*</td>
<td>0.231*</td>
<td>0.121*</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>EMP</td>
<td>4.15</td>
<td>0.84</td>
<td>0.85</td>
<td>0.251*</td>
<td>0.413*</td>
<td>-0.512*</td>
<td>-0.455*</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Source: Researcher’s Compilation. *$p < 0.05$

**Test of Hypotheses**

Hypothesis 1

$H_0$: Work overload has no significant influence on employee performance.

**Table 2: Model Summary for Workload**

|            | Coeff. | Std.Err. | T   | P>|t| | Decision |
|------------|--------|----------|-----|----------|----------|
| WKO        | 0.0397 | 0.049    | 5.589 | 0.000 | Reject   |
| _CONS      | 1.426  | 0.255    | 0.453 | 0.000   |          |

Obs.  276
F(4, 271)  79.751
Prob > F  0.0000
R-Squared (R$^2$)  0.541
Adj. R$^2$  0.534


Hypothesis 1 of this study was tested by examining the relationship between work overload and employee performance of selected banks in Delta State. As shown in Table 2, the coefficient obtained for workload (WKO) was 0.0397 with a corresponding $p$-value of 0.000. This result indicates clearly that employee workload has a significant positive effect on employee performance. Given this result, the null hypothesis of no significant effect is thereby rejected. This establishes that there is a significant positive effect of employee workload on employee
performance in the selected banks in Delta State. This result is consistent with previous studies such as Cross (2019).

Hypothesis 2

H$_{02}$: Time pressure has no significant influence on employee performance.

Table 3: Model Summary for Time Pressure

|          | Coeff. | Std.Err. | T   | P>|t| | Decision |
|----------|--------|----------|-----|-----|----------|
| TIM      |  0.269 |  0.051   | 5.298 | 0.000 |          |
| _CONS    |  1.426 |  0.255   | 0.453 | 0.000 |          |
| Obs.     |  276   |          |     |     |          |
| F(4, 271)|  79.751|          |     |     |          |
| Prob > F |  0.0000|          |     |     |          |
| R-Squared (R$^2$) |  0.541|          |     |     |          |
| Adj. R$^2$|  0.534|          |     |     |          |


Table 3 presents the outcomes for the test of Hypothesis 2 for the association between time pressure and employee performance. As presented in Table 3, coefficient obtained for time pressure (TIM) was 0.269 with a corresponding $p$-value of 0.000. With the positive coefficient and probability value less than 0.05, we therefore have enough evidence to reject null hypothesis of no significant effect. This indicates that time pressure has a significant positive effect on employee job performance in the selected banks in Delta State. This result meets our expectation and is consistent with prior studies such as Ogah (2020).

Hypothesis 3

H$_{03}$: Role ambiguity has no significant influence on employee performance.

Table 4: Model Summary for Role Ambiguity

|          | Coeff. | Std.Err. | T   | P>|t| | Decision |
|----------|--------|----------|-----|-----|----------|
| ROL      | -0.170 |  0.54    | 3.161 | 0.002 |          |
| _CONS    |  1.426 |  0.255   | 0.453 | 0.000 |          |
| Obs.     |  276   |          |     |     |          |
| F(4, 271)|  79.751|          |     |     |          |
| Prob > F |  0.0000|          |     |     |          |
| R-Squared (R$^2$) |  0.541|          |     |     |          |
| Adj. R$^2$|  0.534|          |     |     |          |


Table 4 presents the outcomes for the test of Hypothesis 3 for the association between role ambiguity and employee performance. As established in Table 4, the coefficient obtained for role ambiguity (ROL) regressed against employee performance (EMP) was -0.170 with corresponding $p$-values of 0.002. Hence we reject the hypothesis of no significant effect of role ambiguity on employee performance in the selected commercial banks in Delta State. The result meets our a priori expectation as we anticipated non-clearly defined roles may be counterproductive on employees’ job performance. The result is consistent with Iskamto (2021).

Hypothesis 4

H$_{04}$: Organizational change has no significant influence on employee performance.
Table 5: Model Summary for Organizational Change

|          | Coef.  | Std.Err. | T     | P>| t | | Decision |
|----------|--------|----------|-------|------||         |        |        |      |      |          |
| ORG      | -0.135 | 0.62     | 2.187 | 0.003| |          |        |        |      |      | Reject   |
| _CONS    | 1.426  | 0.255    | 0.453 | 0.000| |          |        |        |      |      |          |
| Obs.     | 276    |          |       |      | |          |        |        |      |      |          |
| F(4, 271)| 79.751 |          |       |      | |          |        |        |      |      |          |
| Prob > F | 0.0000 |          |       |      | |          |        |        |      |      |          |
| R-Squared (R²)| 0.541 |        |       |      | |          |        |        |      |      |          |
| Adj. R²  | 0.534  |          |       |      | |          |        |        |      |      |          |


Table 5 presents the results for the test of Hypothesis 4 for the association between organizational change and employee performance. As observed in the Table 5, coefficient obtained for organizational change (ORG) is -0.089 with a corresponding p-value of 0.003. With the negative coefficient and probability value less than 0.05, we therefore have enough evidence to reject null hypothesis of no significant effect. This indicates that organizational change has a significant negative effect on employee performance in the commercial banks in Delta State. This finding corroborates the position of earlier studies such as Iskamto (2021).

7.0 Conclusion and Recommendations

The aim of the study was to empirically examine the effect of stress on employee performance. In achieving this aim, the study obtained data through survey on variables that have relationship with employee stress and performance in sampled commercial banks in Delta state. The factors this study focused on were workload, time pressure, role ambiguity, and organizational change. The study discovered a significant positive effect of workload, and time pressure on employees’ performance. The study also found that role ambiguity and organizational change have a significant negative impact on employees’ performance and concludes that stress influences the level of performance of employees in commercial banks in Delta State, Nigeria. In line with the findings of this study, it is hereby recommended that:

i. To improve employee engagement and productivity and ensure company sustainability, banks should incorporate flexible workloads into their HRM strategies, policies, and plans.
ii. To lessen stress, the workplace environment should be designed with the needs of the staff in mind. Employees should also continually strive to work on their capabilities through self-improvement to enable them cope with the complex and constantly changing work environment.
iii. The management of the banks should endeavor to arrange the tasks, procedures, politics, and physical surroundings of the organization in a way that motivates workers to do better work.

References