

Occupational stress and employee performance: Evidence from licensed commercial banks in Gampaha District in Sri Lanka

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Abstract

Human factor is known to be the most important asset in any organization which termed as the key to success in challenging business contexts. As a result, the employees in most of the contemporary organizations are assumed to be working under high levels of stress in order to cope with those challenging environments. According to the literature, the banking sector employees are considered to be experiencing a high level of stress due to the rapid changes that occurred in banking sector during past few decades. Literature further suggests that, factors such as work overload, role ambiguity, role conflict and organizational culture act as antecedents of occupational stress that affect negatively on employee performance. However, there are no many studies that focused on investigating the relationship between stress and employee performance in the Sri Lankan context. Thus, the main objective of this study was to investigate the impact of occupational stress on job performances and personal performances of banking sector employees. Further, the study measured the level of occupational stress among banking employees and the major stressors which lead to occupational stress. A structured questionnaire was administered among 124 employees working in the six largest licensed commercial banks in Gampaha District. The data were analyzed using both descriptive and inferential statistics. Spearman's Rank Correlation and Kruskal-Wallis Test were employed to analyze data. The study revealed a significant and inverse relationship between occupational stress and job performances whereas significant and positive relationship between occupational stress and personal performances. Management style was identified as the most influencing factor on occupational stress among banking employees while interpersonal relationship as the least influencing factor. The findings further revealed that majority of the banking employees are working under a relatively high level of stress condition. The results suggest that Sri Lankan banking sector should adopt more effective human resource strategies for the psychological wellbeing of its employees which in turn can assist in increasing individual job performance and enhancing organization's productivity in order to ensure sustainable growth of the business.

Keywords: *Job performance, licensed commercial banks, occupational stress, personal performance.*