

ASSESSING THE EFFECT OF JOB STRESS ON ORGANIZATIONAL PERFORMANCE IN
NIGERIAN BANKING INDUSTRY

(A STUDY OF JAIZ BANK IN ILORIN METROPOLIS)

By:

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CERTIFICATION

This project has been read and approved as meeting the requirements for the award of National Diploma (ND) Business Administration and Management, Institute of Finance and Management Studies, Kwara State Polytechnic Ilorin, Kwara State.

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DEDICATION

This project is dedicated to Almighty Allah, the most grateful omnipresent, Omnipotent and omniscience for his immeasurable protection, guidance, love and mercy shown on me from the starting to the end of my programme. It is also dedicated to my beloved parent for their care on me right from childhood.

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ABSTRACT

Every service organization focuses on customer satisfaction as well as improving their organization's performance, therefore employees have to deal with pressure both in their professional and personal lives. The main objective of the study was to examine the effect of job stress on the organizational performance in the Nigerian banking industry. Other specific objectives were to, (i) examine the effect of workload on quality of service, (ii) to determine the impact of social support on job satisfaction and (iii) to evaluate the effect of workplace conflict on organizational effectiveness. To achieve the objective set for the study, the methodology used in gathering information was questionnaire. A study population of 75 bankers in Jaiz and GTB bank with a sample size of 63 gotten through Krejcie and Morgan sample size determination formula made up the respondents. Three hypotheses were formulated and tested. The statistical technique used was multiple regression analysis. The results showed that a statistically strong and positive relationship exists between workload on quality of service ($R^2 = 0.741$ $p < 0.05$), social support on job satisfaction ($R^2 = 0.692$ $p < 0.05$) and workplace conflict on organizational effectiveness. ($R^2 = 0.729$ $p < 0.05$). This result is statistically significant as the p -value of the results (0.000) is less than 0.05 level of significance set for the study. The study concluded that Managers must try to minimize employee job stress when discussing how to improve organizational performance. The study recommended that workload has significant effect on quality of work, therefore, managers of the banks should ensure they give employees only the t

ask they can perform as too much tasks burden the employee and affect their work quality.

CHAPTER ONE

Introduction

1.1 Background to the study

The work place of the 21st century is a fast paced, dynamic highly stimulating environment which brings a large number of benefit and opportunities to those who work within it. The ever-changing demands of the working world can increase levels of stress, especially for those who are consistently working under pressure such as Nigerian workers, while pressure has its positive side in raising performance, if such pressure becomes excessive it can lead to stress which has negative consequences.

Stress at work is a relatively new phenomenon of modern life style. The nature of work has gone through drastic changes over the last century and it is still changing at a fast pace. They have touched almost all professions starting from an artist to a surgeon or a commercial pilot to sales executive, with change comes stress, which is inevitable. Stress is a psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressures of the situation. Thus, stress is more likely to occur in some situations than others and some individuals than others.

In most cases, job stress is attributed to negative situation such as a formal reprimand by one's superior or completing multiple tasks within a time frame. However, certain positive situations could also bring about job stress, such as job promotion and transfer to another location. Job stress has attracted considerable attention in recent times especially within the context of organization behavior. Most research found suggest that when an individual comes under stress, his cognitive performance and decision making may be adversely affected.

Shahu and Gole (2008), inquired if there was any relationship between job performance, job satisfaction and job stress and found that higher stress levels are related to lower performance, whereas higher job satisfaction indicates higher performance.

Santiago 2003, examined the negative effect of job stress on employee's performance and found that the negative stress that often results from organizational setting through poor management, the quality of services, and the time allotted for each task can be debilitating. There is evidence to suggest that, there are ways in which an organization can help to reduce the impact of job stress, or better manage the issue when it arises.

In summary, if a number of employees are stressed, the impact on the organi

zation will escalate. Employees who are stressed may be absent from work, they will have low morale and motivations, staff turnover may increase and experienced employees may leave the organization, the productivity and efficiency will be less, business and financial performances will deteriorate in the company. These factors will significantly impact the organization performance because workers are part of the pillars of any organization when employees are good and productive the organizational automatically becomes better.

For the sake of simplicity, just the negative connotation of stress will be used as that is more important from the subject's point of view. Stress can be got over better if one knows the stressors or sources of stress.

To reduce or avoid job stress, a reasonable workload, the need for employees to maintain a healthy diet, the need for the organization to support employees socially, the need to avoid regularly putting extra hours at work, effective employee management, good two-way communication between employers and employees, a suitable working environment, and the importance of reduced workload in the organization are just some of the factors which can have a positive impact.

The purpose of this study is to explore the stress-related problems of bankers, to examine the relationship between stress and performance, to suggest me

asures for stress tolerance, and to enhance work performance.

1.2 Statement of research problem

Productivity and employee performance are commonly debated terms in all kinds of sectors in this current business world as they are directly associated with growth of both employees and organization. Despite many factors, workload which is the amount of work assigned to or expected from a worker in a specified time period remain one of the principal factors deciding both productivity and performance of the employees. Light workload will evoke laziness and cause employees to involve in group politics and thereby affect their performance and career in their field, at the same time, heavy workload produces health related issues, and lower quality of service in the organization.

Also, a desirable and powerful tool to bind employees to the organization and enhance its productivity and effectiveness. When an employee feels a strong sense of organizational support, they buy into the heart and future vision of the company, they understand the goal of the organization, they feel as though they fit in and are well respected and compensated for the work they do, this is likely to lead to an increase in productivity, engagement, commitment, and morale and will increase an employee's chance of staying with the organization for a longer period.

In addition, everyone has to deal with conflict both within their individual personal lives and amongst colleagues at the workplace. In the workplace, this conflict often manifests itself in the form of breakage in communication line, unsatisfaction, employee performance issues, and other obstacles that get in the way of doing the job. Researchers have assumed that increased productivity and task with unclear information can be attributed to increased chances of conflicts, some have pointed out that teamwork sometimes increases the chances of arguments and that achievement of goals tend to be slower when done in groups.

1.3 Research Questions

From the statements of problems highlighted above, the following research questions emanated:

- I. To what extent does workload influence the quality of service?
- II. What is the impact of social support on job satisfaction?
- III. What is the effect of workplace conflict on Organizational effectiveness?

1.4 Research Objectives

The main objective of this study is to examine the impact of job stress on employee's performance in the Nigerian banking sector. Other specific objectives

are to:

- I. Examine the effect of workload on quality of service.
- II. Determine the impact of social support on job satisfaction.
- III. Evaluate the effects of workplace conflict on organizational effectiveness.

1.5 Research Hypotheses

To achieve the objectives, set for the study, the following hypotheses were developed:

H_{01} : Workload has no effect on quality of service.

H_{02} : Social support has no impact on job satisfaction.

H_{03} : Workplace conflict has no effects on Organizational effectiveness

1.6 Scope of the study

The study focuses on the impact of job stress on Organizational performance in the Nigeria Banking Industry with a particular focus on Jaiz bank and Guaranty Trust Bank. It intends to examine how stress affects the performance of workers in the banking industry which in turn affects the organization. There are two (2) branches of Jaiz Bank and six (6) branches of Guaranty Trust Bank within Kwara state metropolis. However, this particular study focused on Guaranty Trust Bank, Tanke and unity branch and Jaiz Bank, unity and unil

origin branch as a result of how the organization is being presented to the outside world despite the stress and struggles, they go through to make the organization effective. This study is expected to use the employees of Guaranty Trust Bank and Jaiz Bank. *Pause*

This study is an attempt to provide employers and employees with a framework of measure which will identify and prevent problem of job stress and help to manage them when they do arise, although stress is associated with a number of factors, the scope of this study will be limited to only work-related stresses. Furthermore, impact of job stress on employee's performance using Jaiz Bank and Guaranty Trust Bank would be investigated empirically.

Job stress is a common phenomenon in every occupation. The challenges that bankers face on daily basis especially in recent times with work force cutbacks which could result in greater pressure on the remaining workforces with increased work overload or stress. The research is intended to be elaborated in order to gather diversified opinion on the subject matter and to allow for precision in the identification of job-related stressors for every individual respondent.

1.7 Significance of the study

The desire of every employer is optimum productivity. This can only be achieve

d when the employees work and add value to the organization at their best. But one major factor that has been identified in the literature and practice that significantly affects the performance of employees is job-related stress. Therefore, the employers and/or management cannot ignore the influence of job stress in attaining the organizational set goals.

The focus of this study is to understand how job stress affects the Organizational performance in the banking industry in terms of productivity and also to identify the factors that are responsible for job stress. With that knowledge, it may be possible to adjust/modify these factors to the performance of the employees as well as that of the organization.

The application of the findings of this study is mainly for the design and implementation of the most effective strategies for dealing with job stress in the Nigerian banking sector. However, it is hoped that the key ideas can be transported to any workplace wishing to increase or enhance workers' productivity and improving organizational performances.

1.8 Operational Definition of relevant terms

Workplace conflict: Organizational conflict, or workplace conflict, is a state of discord caused by the actual or perceived opposition of needs, values and interests between people working together.

Staff turnover: Staff turnover is the act of replacing an employee with a new employee. Partings between organizations and employees may consist of termination, retirement, death, interagency transfers, and resignations.

Workload: The amount of work assigned to a particular worker, normally in a specified time period

Organizational effectiveness: Organizational effectiveness embodies the degree to which firms achieve the goals they have decided upon, a question that draws on several different factors.

Employee productivity: Employee productivity can be defined as the amount of work (or output) produced by an employee in a specific period.

Cutbacks: A reduction in rate, quantity, e.t.c.

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

This chapter delve extensively on the review of relevant literature regarding the topic of study. This chapter consists of conceptual clarifications, theoretical framework, empirical review of past studies related to the topic under investigation, and the gap in the literature as identified.

2.1 Conceptual clarifications

2.1.1 Concept of job stress

In today's fast-paced world, it is impossible to live without stress. The nature of work has undergone drastic changes with stress appearing almost automatically. It is a worldwide phenomenon that occurs in various forms in every workplace. In today's work life, employees are often required to work strenuously for over a long period as their responsibilities keep rising. Stress is common in every type of job and people must face it in every facet of life. Stress has been defined in various ways over the years. According to (Ivancevich, Konapske & Matteson, 2006) stress is scientifically described as that response of an individual to the outcomes of the external environmental conditions that place excessive psychological, behavioral, and physiological pressures on that individual.