# Effects of Job Stress on Employee Retention: A Study On Banking Sector of Pakistan

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*Abstract*- In today's economic upheavals, downsizing, layoffs and mergers have cost hundreds of workers their jobs in banking sector of Pakistan. Many more have been shifted to unfamiliar tasks within their banks and wonder how much longer they will be employed. Adding to the pressures that workers face are new bosses, computer surveillance, fewer health and retirement benefits, and the feeling they have to work longer and harder just to maintain their current economic status. Workers at every level are experiencing increased tension and uncertainty. They are undergoing"Job Stress", to be precise. This study examines the relationship between Job Stress and Employee Retention and consequences of high stress on bank employees of banking sector of Pakistan.

*Index Terms*- Job Stress, Employee Retention, Performance, Working Conditions Organizational Culture

## I.  INTRODUCTION

Stress is defined in terms of its physical and physiological effects on a person, and can be a mental, physical or emotional strain. It can also be a tension or a situation or factor that can cause stress. Occupational stress can occur when there is a discrepancy between the demands of the environment/workplace and an individual's ability to carry out and complete these demands. (Wikipedia)

The reason for choosing this topic being; Job Stress has become the greatest threat in the banking sector of modern era. The advent of technology, the bombardment of countless information of diverse nature and the competent business environment does not leave anyone to feel secure in banking sector of Pakistan. Everyone is literally under some sort of pressure and every night before sleeping, thousands of fears run across nearly every employee. This entire situation mostly directly and sometimes indirectly affects employee retention at work place.

All around the globe Stress is experienced by employees which is a universal element. Work overload, role ambiguities, time pressures, poor working condition and environment (ergonomics) and least desirable customer relationship in banking sector is caused by a number of factors such as increased mergers, acquisitions, restructuring, and technological developments.

Unfortunately, most of the times, employers fail to understand the basic cause of the Job Stress; being faced by an employee and they seem to only jump to conclusions resulting in consequences which the organization cannot bear. Mostly the symptoms of Job Stress are thought to be the causes, whereas it isn't the case. At times, when research is conducted, it reveals that the employee was not to be blamed but probably the employer or organization was to.

Different sorts of similar studies and researches have already been conducted on this topic by foreign students and professionals both. This issue has plagued researchers for the past few decades the most as it is the most disastrous problem in banking sector, so this study is dynamic, diverse and gives one an opportunity to explore and find out the real grounds.

If kept at a certain level Job Stress serves as a driving force however it cannot be eliminated so in order to mange Job Stress factors affecting it such as Job Satisfaction should be optimized.

### 1.2) TYPES OF STRESS:
There are three types of stress as follows:
### a)  PHYSICAL STRESS:
It is the stress that occurs due to the ergonomics in any organization. The physical conditions i.e. the space given to an employee to sit, the equipments provided to him and the space requirement for its handling, the comfort level of the furniture at his disposal, the placement of telephones, the system of cross ventilation in the room/ work station, the placements of lights etc come in this head and play a vital role in providing ease to the employee. If employees do not have comfort while working, they would be stress and these strains would result in extremely terrible results. Employees would either fall ill or would be so disturbed that they could go to the limit of quitting their job. Physical stress results in diseases like ulcer, blood pressure or even heart attack.
### b)  EMOTIONAL/MENTAL STRESS:
Emotional/mental stress has become a very vast study as every individual has his own distinct personality , attitude, likings, dis-likings, perceptions, opinions and mind-set and therefore all this makes the study of emotional/mental stress a very diverse, dynamic, complicated and even confusing at times.

Every individual at the work place has to keep on playing with his own attitudes and styles of dealing with his sub-ordinates, peers and boss. One attitude which might be the most appropriate to deal with a peer might create problems when used with a sub-ordinate or boss or even the same attitude used within a similar category ,say peers, sub-ordinates or bosses might raise eye-brows of many. This situation gives rise to mental stress. Emotional stress rises its head as a result of insults, jealousy which results from attention given to one peer by the boss and neglecting the other.

Emotional/ mental stress also gives rise to consequences which have disastrous results for the organization. Emotional stressors result in apathy, boredom, inattentiveness, loss of ability to concentrate, irritability and negativism.
### c)  BEHAVIORAL STRESS:
Behavioral stress is the stress that results due to the behavior of self or others. Any employee entering the

organization in an un-usual state of mind would definitely be unexpected to others and when they would greet that employee in the same old manner, the reaction would not be the same as it used to be. This situation might cause behavioral stress.

Behavioral stressors bring changes in behaviors like a sudden change in smoking habits, sudden noticeable weight loss or gain or even difficult breathing.

## 1.3) OUTCOMES OF JOB STRESS:

The outcome of job stress is negative. Performance is affected which further results into the following circumstances:

- Absenteeism
- In-effectiveness
- Job Dissatisfaction
- Turnover

## 1.4) RESEARCH QUESTION:

Is there any relationship between the Job Stress and Employee Retention in the banking sector of Pakistan?

## 1.5) OBJECTIVES:

- To verify is it really any effect on job stress over employee retension and organization efficiency.
- To empirically study Job Stress that directly affects employee retention at different levels of age people.
- To empirically study Job Stress that directly affects employee retention at different levels of income groups..
- To measure how much Job Stress plays a function in increasing disappointment among employees.
- To illistrate that turn-over in organizations can taken due to Job Stress.
- To whether compensation has an effects on increased level of Job Stress among employees.

## 1.6) SIGNIFICANCE OF THE STUDY:

This study is aimed at the following multiple purposes:

## a) FOR THE INDIVIDUALS:

This shows that employees run under the various issues and logically make the choice on personal advantages. The next question in line up that the study about is that how does job stress arise, from working senerio, salary package and organizational culture.

## b) FOR FUTURE RESEARCHERS:

In the future it job stress take value in effecting performance in the organsation.and directly effects on the employee performance.it also help employer that effect behavior of the employee in the organsation and set different goals for achieving it.

This research is purely based on the different factors and show direct relationship om job retension.and ensured to cover all the possible factors in the research.different factors how they have positively or negatively effects.

## II.   LITRATURE REVIEW

A number of researchers have defined stress in different words such as, Kazmi, Amjad, and Khan, 2008 have defined stress as "a change in one's physical or mental state, in other words disturbance or imbalance from normal state. Stress is caused disturbed events in work environment, social environment, and in routine life (work, family and social life) and also caused by emotional, psychological, mental and physical illness". Moreover, "Stress comes from any situation or circumstance that require behavioral adjustment any change either good or bad is stressful or whether it's positive or negative change, the physiological response is same" (W. Colligan and M. Higgins, 2010).

Job stress can arise from different environment of work like organizational or situational stress it is from the characteristics of the workers themselves i.e. dispositional stress (Riggio, 2003). Stress is a natural lesson in the life and every employee even executives and managers should be effected from this issue.according to survey about 100 million workdays are being affected due to stress problem among employees and nearly 50% - 75% due to disease cause stress (Bashir).

Absence and loss of employment are major cause of job stress In the organization.the ratio increase day after day because of organisation enviorment.they were the main hurdles of achieving goals and performance (Treven 2002).

Employers need to be aware of how the population (organization) is changing with respect to age. For Example, the new trends in the banking industry show an inclination towards more hiring of young and fresh business graduates. So in near future, most jobs, even top-level executives would be young people. This also poses another issue that young individuals are more aggressive and sensitive so they are more likely to fall prey to Job Stress. Qianqian Du et,al,(2009)

Joanna.L.Y .Ho.et,al,(2004) investigates the relationship between compensation benefit of employees on the basis of performance. Compensation relates with performance of employee in the organization accordingly show high performance as well as low performance of the employee.

Income has a major impact on the living standard of an individual. In reality, if this is said that it is the decider of the life-style of any individual, it would not be wrong. Income has also relationship with family life cycle which actually moulds the spending pattern of a family. Different researches have shown that the person with high income is having a different style of spending than low income groups' persons. If a person has a family to support and the number of households is large, then his only criteria of selection of a job would be the money which he would receive. So, any such individual who is being paid less whereas, his expenditure is more, he would eventually experience Job Stress.   KiridaranKanagaretnam et,al(2001).

Jhanzeb Shah,et,al,(2007) culture create society and exchange views.its changes from generation to generation. human nature changes fill the individual gap.culture changes individual behavior also.The symbols may be intangible (attitudes, beliefs, values, language) or tangible (tools, housing, products works of art). Cultures do change over time. Every organization has its own distinct culture. If an employee fails to comply with the organizational norms and culture, he would be

proving himself one odd against all so he would be more prone to have stress at his work place.

An individual making a shift from one organization to another has to be flexible enough so as to absorb and mould himself in the new organization's culture. Executives must also be alert to these changes so they can adjust their planning to be in step with, or even a little ahead of, the times to not let employees to be affected by cultural factors.

Alejandra et,al,(1996) Working conditions also poses a lot of pressure over employees. The space they are provided for work, the lights and air in the room, sitting arrangement, the relationship that the employee shares with his peers, sub-ordinates and boss are all the factors that affect the employee retention as these things become a cause of stress for an employee.

(Patiraj kumara et,al) The performance is measured on the basis of skill and motivation level of the individual employee. Due to this approach it easily evaluates the employee in the organization. It show Job Stress and personal life stress are different approaches. They are positively correlated with each other.

## GEOGRAPHICAL DISTRIBUTION:

The bigger the market, the more is the chance of symptoms of Job Stress among employees. In the banking sector, the banks have brought their employees in direct competition with other bank's employees as the service provided by them is what matters. Also by the presence of so many commercial banks operating in Pakistan, employees are more prone to being stressful.

## AGE:

Employers need to be aware of how the population (organization) is changing with respect to age. For Example, the new trends in the banking industry show an inclination towards more hiring of young and fresh business graduates. So in near future, most jobs, even top-level executives would be young people. This also poses another issue that young individuals are more aggressive and sensitive so they are more likely to fall prey to Job Stress.

## INCOME:

Income has a major impact on the living standard of an individual. In reality, if this is said that it is the decider of the life-style of any individual, it would not be wrong. Income has also relationship with family life cycle which actually moulds the spending pattern of a family. Different research has shown that the person with high income is having a different style of spending than low income groups' persons.If a person has a family to support and the number of households is large, then hi nm mms only criteria of selection of a job would be the money which he would receive. So, any such individual who is being paid less whereas, his expenditure is more, he would eventually experience Job Stress.

## ORGANIZATIONAL CULTURE:

Cultures do change over time. Every organization has its own distinct culture. If an employee fails to comply with the organizational norms and culture, he would be proving himself one odd against all so he would be more prone to have stress at his work place. An individual making a shift from one organization to another, has to be flexible enough so as to absorb and mould himself in the new organization's culture. Executives must also be alert to these changes so they can adjust their planning to be in step with, or even a little ahead of, the times to not let employees to be affected by cultural factors.

## WORKING CONDITIONS:

Working conditions also poses a lot of pressure over employees. The space they are provided for work, the lights and air in the room, sitting arrangement, the relationship that the employee shares with his peers, sub-ordinates and boss are all the factors that affect the employee retention as these things become a cause of stress for an employee.
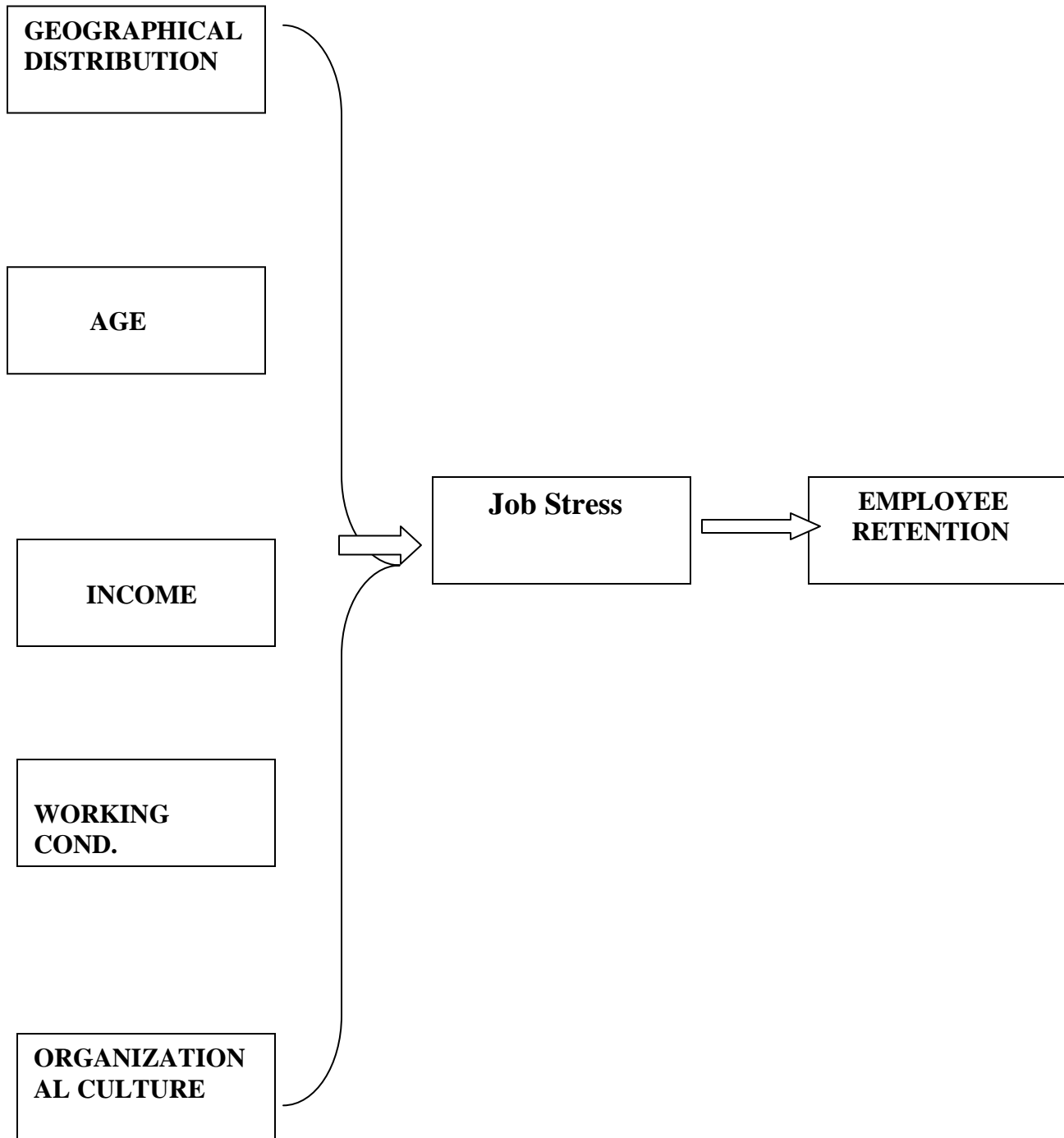
## III. RESEARCH METHODOLOGY

### 3.1) HYPOTHESIS:

Ho: There is positive relationship between Job Stress and Employee Retention

H1: There is no relationship between Job Stress and Employee Retention

**3.2) RESEARCH MODEL:**

```
┌─────────────────┐
│  GEOGRAPHICAL   │
│  DISTRIBUTION   │
└─────────────────┘

┌─────────────────┐
│      AGE        │
└─────────────────┘
                          ┌──────────────┐        ┌──────────────┐
┌─────────────────┐       │  Job Stress  │  ───►  │  EMPLOYEE    │
│     INCOME      │  ───►  │              │        │  RETENTION   │
└─────────────────┘       └──────────────┘        └──────────────┘

┌─────────────────┐
│   WORKING       │
│   COND.         │
└─────────────────┘

┌─────────────────┐
│  ORGANIZATION   │
│  AL CULTURE     │
└─────────────────┘
```

**3.3) RESEARCH DESIGN AND SAMPLING PROCEDURE**:

The data were collected through questionnaires .this questionnaires were filled by hand as well as through soft form like through email. As the study is pointed towards effects of Job Stress on Employee Retention on banking sector of Pakistan, due to less time and minimum resources more appropriate sampling technique is used to explore the relationship between Job Stress and Employee Retention.

**a.  POPULATION:**

The current study was arranged among employees of banking sector of Pakistan and as it is an employee based research, the choice has been meticulously made in terms of gender and age. For the generalization of research the survey has been scrupulously conducted to get most appropriate results.

**b.  SAMPLE SIZE:**

Out of 150 questionnaire distributed we were only able to get hold of 100 respondents. Our sample size is hence 100. The

majority of respondents were mostly male i.e about 65 male out of 100 and 35female out of 100.

## DATA ANALYSIS:

**Descriptives**

**Descriptive Statistics**

|  | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| JS | 100 | 1.20 | 5.00 | 3.8000 | .98719 |
| RET | 100 | 1.33 | 5.00 | 3.7171 | .90304 |
| WL | 100 | 1.50 | 5.00 | 3.8267 | .97772 |
| ER | 100 | 1.00 | 5.00 | 3.7335 | 1.02159 |
| Valid N (listwise) | 100 |  |  |  |  |

**INTERPRETATION:**

The descriptive statistics studies simple conclusion about the sample and the observations that have been calculated. These results may form the basis of the initial description of the data as part of a more extensive statistical analysis, or they may be sufficient in and of themselves for a particular conclusion.in the table shows minimum as well as maximum results about IV and DV.also show standard Dev of the data.

**T-Test:**

**One-Sample Statistics**

|  | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| JS | 100 | 3.8000 | .98719 | .09872 |
| RET | 100 | 3.7171 | .90304 | .09030 |
| WL | 100 | 3.8267 | .97772 | .09777 |
| ER | 100 | 3.7335 | 1.02159 | .10216 |

**INTERPRETATION:**

Above table shows the actual effects from the independent t-test.in the table std deviation is 0.90 related to retension.its means 90% of overall population.also 97% of over all population data related to work load and vice versa.

**One-Sample Test**

|  | Test Value = 0 | | | | | |
|---|---|---|---|---|---|---|
|  |  |  |  |  | 95% Confidence Interval of the Difference | |
|  | T | df | Sig. (2-tailed) | Mean Difference | Lower | Upper |
| JS | 38.493 | 99 | .000 | 3.80000 | 3.6041 | 3.9959 |
| RET | 41.162 | 99 | .000 | 3.71710 | 3.5379 | 3.8963 |
| WL | 39.139 | 99 | .000 | 3.82670 | 3.6327 | 4.0207 |
| ER | 36.546 | 99 | .000 | 3.73350 | 3.5308 | 3.9362 |

**INTERPRETATION:**

Above table shows the vale of t of dependent as well as independent variables.the mean difference of 3.800 having 95% confidence interval.These are 2 tail test having lower value is 3.60 and upper value is 3.995.

**REGRESSION:**

**Variables Entered/Removed[b]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | ER, RET, WL[a] | . | Enter |

a. All requested variables entered.

b. Dependent Variable: JS

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .792[a] | .627 | .615 | .61244 |

a. Predictors: (Constant), ER, RET, WL

**ANOVA[b]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 60.473 | 3 | 20.158 | 53.742 | .000[a] |
| | Residual | 36.007 | 96 | .375 | | |
| | Total | 96.480 | 99 | | | |

a. Predictors: (Constant), ER, RET, WL

b. Dependent Variable: JS

**INTERPRETATION:**

Regression result has also been used to test the relationship between the independent variables of geographical distribution,income,working condition,org culture.The correlation of coefficient is 0.792. The R-square adjusted is 0.692 and also F = 53.742, p < 0.01 shows the overall acceptance of our model and the result is statistically significant at the level of 0.01.

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. |
| 1 | (Constant) | .556 | .281 | | 1.978 | .051 |
| | RET | .032 | .097 | .030 | .333 | .740 |
| | WL | .461 | .095 | .457 | 4.875 | .000 |
| | ER | .364 | .092 | .377 | 3.953 | .000 |

a. Dependent Variable: JS

**INTERPRETATION:**

Above table explain that value of R is fair value and acceptable. Linear Regression calculate you to calculate linear relationships between two or more variables. Regression results calculate by fit in which best shows the relationship

**Reliability**

**Case Processing Summary**

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 100 | 100.0 |
|       | Excluded[a]           | 0   | .0    |
|       | Total                 | 100 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .894             | 4          |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .836             | 2          |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .730             | 2          |

**Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .730             | 2          |

**INTERPRETATION:**

Above table shows the vale of Alpha which is 0.894.its mean it is best fit in data and relationship between the IV and DV are good and acceptable. Cronbach's alpha is the mainly common calculate of internal consistency ("reliability"). It is mainly common help when we have multiple Likert scale in a questionnaire that form a scale and you are interested to explain if the scale is reliable and good.

**SOBEL TEST RESULTS:**
**PURPOSE:**

Check a mediator carries the influence of an IV to a DV.

$a$ = raw (unstandardized) regression coefficient for the association between IV and mediator.

$s_a$ = standard error of $a$.

$b$ = raw coefficient for the association between the mediator and the DV (when the IV is also a predictor of the DV).

$s_b$ = standard error of $b$.

| VALUES     | T.STAT | STANDARD ERR | P.VALUE |
|------------|--------|--------------|---------|
| a   0.556  | 0.325  | 0.0546       | 0.744   |
| b   0.032  |        |              |         |
| Sa  0.281  |        |              |         |
| Sb  0.097  |        |              |         |

| VALUES     | T.STAT | STANDARD ERR | P.VALUE |
|------------|--------|--------------|---------|
| a   0.556  | 1.832  | 0.1398       | 0.066   |
| b   0.461  |        |              |         |
| Sa  0.281  |        |              |         |
| Sb  0.095  |        |              |         |

| VALUES     | T.STAT | STANDARD ERR | P.VALUE |
|------------|--------|--------------|---------|
| a   0.556  | 1.7696 | 0.1143       | 0.07677 |
| b   0.032  |        |              |         |
| Sa  0.281  |        |              |         |
| Sb  0.092  |        |              |         |

## INTERPRETATION

In stats the **Sobel test** is a way of testing the significance of a mediation variable. The variable shows  relationship between the independent variable and the dependent variable is hypothesize to be an indirect result that exists due to the control of a third variable (the mediator. its  included in a R.analysis variable, the effect of the independent variable is reduced and the effect of the mediator remains significant. Is also specialized t-test that issues a method to way the less in the effect of the independent variable, after adding the mediator in the model, is a significant way and therefore whether the mediation effect is statistically significant

## IV.   CONCLUSION AND RECOMMENDATION

Employees have try to work with energy  ,ability and determination even if they are not provided with the support, they need to perform their tasks with honesty. They are more focused to avoided stress and at their work place decrease directly affects their performance.  If avoided then turn-over are unusually high and in this viable business world of today, if such be the ratio of employee turn-over then organizations could collapse. This finally leads to increase the working conditions and the working relationships among employees in the organizations. If the employees becoming overly stress during the job. They prefer to quit for few days and taking rest at home.

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