



IMPACT OF STRESS ON THE PERFORMANCE OF EXECUTIVES: AN EMPIRICAL STUDY

*Deepa Kapoor**
*Dr S S Khanka***

ABSTRACT

Stress amongst the executives in organisations has become an important area of concern because individual's performance depends on his stress level. The paper focuses on relationship between stress and the performance of the executive. The Result shows that executives with high stress levels perform less. It is also observed that executives perform more with increase in the stress levels provided the stress level doesn't cross the optimum level.

Keywords: conflict, Cronbach Alpha Value, performance, stress, stressor.

INTRODUCTION

With the accelerating growth in the complexity of living experience, people are experiencing overload of stress. These stresses are induced due to various factors that include interalia, financial matters, occupation hazards and poor personal effectiveness. Research shows that excessive stress have negative impact on the work of the individual. It reduces the productivity and results into poor emotional and physical health.

What is stress? Stress is a vague term. It is the internal and external conditions that results into a stressful situations. The degree of stress is related to the person's perception about his inability to deal with the environmental conditions. This shows that level of stress depends on self confidence and self perceived abilities of a person.

Nowadays organisations are really worried about the negative impact of stress on the employees. Employees under excessive stress withdraw from their work and resort to absenteeism. If the stress is beyond the extreme level, it may sabotage the individual and in turn the smooth functioning of the organisation as well. The relationship between performance and stress is quite complex. The relationship is affected by the level of difficulty of the job, work environment, the nature of stressor, personal factors and other organisational issues. However it is also observed that productivity is at a peak when the level of stress is at optimum level. If the stress is at very low level, performance will be adversely affected.

The paper focuses on impact of stress on the performance of executives in their organisations. This empirical study is done in a manufacturing unit of an automobile company in Faridabad, Haryana, India.

LITERATURE REVIEW

Arnold and Feldman (1986) define stress as "the reactions of individuals to new or threatening factors in their work environment." Our work environment contains different and new situations, therefore the definition tells that stress is bound to happen. It also reflects that person's reaction to the stressful situation depends upon his personality and it also affects mental as well as physical health.

***Deepa Kapoor** is a Research Scholar at Mewar University, Gangrar, Chittorgarh, Rajasthan.

****Dr S S Khanka** is Professor (Human Resource Management) at NIFM, Faridabad, Haryana, India.

French, Kast, and Rosenzweig (1985) have emphasized that stress is not always bad. They write, "The term stress can be considered neutral with the words distress and stress used for designating bad and good effects." They made a model which defines optimum range of the stress which in turn affect positively on the performance. Stress beyond optimum level result into decreased performance and may result into burnout.

It is observed from the literature that stress is inevitable, essential for completion of the task. Without little, stress no challenging task can be finished. But if the level of stress increases than the productivity decreases. Optimum amount of stress is *eustress* and if it increases than it become *distress*.

Selye (1946) observed different phases the body undergoes in response of threat. He opined that the body passes through three phases. First phase is alarm reaction. Potential emergency is perceived by the body like slowing of digestion, faster heart beats, dilated blood vessels, rise in blood pressure, and rapid breathing. Second phase is resistance. If the stress is continuous in nature, then body adapts it and it becomes habitual, but the energy is being spent on against the stressor. Third stage is of exhaustion. In the second phase if excessive energy is spent on the stressor then the stress manifests into illness in the form of heart ailment, ulcers, digestive issues and so on.

Ivancevich and Matteson (1980) pointed out, "The problem we encounter today is that the human nervous system still responds the same way to environmental stressors, although the environment is radically different. The tigers are gone and with them the appropriateness of the fight-or-flight response."

Many researchers have studied the effects of stress on performance. *McGrath* (1978) has reported that moderate amount of stress empowers people to perform better. Improved performance can be due to enhanced arousal. But if the stress is far greater, it will result in decreased performance and concerning health issues. *Lawless* (1992) observed "workers are aware of the toll that stress has had on their own performances. Half of all workers say that job stress reduces their productivity".

Literature suggests that Stressors arise from within and the environment. Within an individual, it is internal and the one attributed to environment is external. Internal conflicts, fears from within, guilt are few of the internal stressor. It arises from individual's perception. Environmental stressors are not in the control of individual.

Bhagat (1983) states, "Work performance can be seriously impaired by external stressors. There are many aspects of organizational life that can become external stressors. These include issues of structure, management's use of authority, monotony, a lack of opportunity for advancement, excessive responsibilities, ambiguous demands, value conflicts, and unrealistic work loads".

Albrecht (1979) argues that mostly the stressors are emotionally induced. "These are based on peoples' expectations, or the belief that something terrible is about to happen. Thus, emotionally induced stress arises from one's imagination." Albrecht believed that the society's prime health issue is anxiety and he classified stress induced by emotions into four categories: time stress, anticipatory stress, situational stress, and encounter stress.

STRESS AND PERFORMANCE

Sullivan and Bhagat (1992) observed four possible situations regarding performance and stress (a) stress may increase performance, (b) stress may decrease performance, (c) stress may have no effect on performance and (d) the relationship between stress and performance may represent an inverted-U. Findings suggests an inverse relationship between stress and performance.

Allen et al. (1982) has endorsed the view on this inverse relationship between stress and performance. A meta-analysis by *Tubre and Collins* (2000) also support the negative relationship between role conflict, role ambiguity and performance. *Fried et al.* (1998) studied the affects of role conflict role, ambiguity and on the performance. They too found a negative relationship.

Rabinowitz and Stumpf (1987), *Sullivan and Bhagat* (1992) and *Beehr and Bhagat* (1985) also are of the opinion that stress and performance are related to each other.

The literature review reflects that there is a need to find more empirical relationship between stress and the performance of executives.

Objectives of the Study: The objectives of the study is to

- i) To find the stress level and the performances of the executives.
- ii) To assess the impact of stress of the executive and his performance on the job.
- iii) To find the relationship between stress of individual (Above and below optimum level) and their performance.

HYPOTHESES

The hypotheses are as under:

H1: Individuals with high stress level show lower performance.

H2: Individuals show better performance with the increase of stress upto an optimum level.

METHODOLOGY

The present study was conducted in an Automobile company situated at Faridabad. For the purpose of this study, 100 participants were administered with the questionnaire. The participants were of the age from 34 to 50 (mean age = 41 years) selected through random sampling. The executives are working in the company at middle level management. The individuals were administered questionnaire on level of stress and their perception about their performance.

LEVEL OF STRESS

Questionnaire on determining the level of stress was developed by the author under guidance of her research guide. This psychometric tool has Cronbach Alpha Value of 0.78. The scale has content validity. It has 14 statements to be rated by the respondents on a five-point Likert type scale.

JOB PERFORMANCE:

Questionnaire on determining the performance of individual was developed by the author under guidance of the research guide. This psychometric tool has Cronbach Alpha Value of 0.81. The scale has content validity. It has 11 statements to be rated by the respondents on a five-point Likert type scale.

RESULTS

The Data obtained in the form of stress and performance was analysed using correlation, Results of the study are given in the Tables below:

Table 1: Correlation between Stress and Performance of Executives

Variables	Performance	Mean	SD
<i>Stress (Above moderate level)</i>	R (- 0.378*) R2 (0.14)	3.35	.71
<i>Stress (Below moderate level)</i>	R (0.436*) R2 (0.19)	2.47	.63
<i>Performance</i>	-	3.43	.82

Where $R = \text{Pearson's } r$, $R2 = \text{Regression value}$, * $p < .001$

Result shows that executives with high stress levels perform less. There is negative correlation between stress and performance. Therefore,

H1: Individuals with high stress level show lower performance, is *accepted*.

Result also shows that executives perform more with increase in the stress levels provided the stress level doesn't cross the optimum level. There is positive correlation between stress and performance. Therefore,

H2 : Individuals show better performance with the increase of stress upto an optimum level , is *accepted*.

CONCLUSIONS

It is evident from the study that stress in the individuals working in organisations have an impact on their productivity. Empirical evidences shows that at high level of stress, individuals are performing low. It is also observed that executives with moderate and low stress level show better performance. The optimum amount of stress is important for creating an urge in the individual to perform good, that optimum level of stress is the *Eustress*. Beyond that level of stress, the performance/efficiency reduces .Organisation must muster their resources to keep the stress level of executive at the moderate . It will also help create a proper environment of team building and improve organisational effectiveness.

The role of management becomes one of maintaining an appropriate level of stress by providing an optimal environment, and by doing a good job in areas such as performance planning, role analysis, work redesign/job enrichment, continuing feedback, ecological considerations, and interpersonal skills training.

Limitations: Following are the limitations of the study:

- i) The study was conducted in one organisation only. Therefore, the findings cannot be generalised across all the organisations.
- ii) The study proceeds with the assumption that the questionnaire on different parameters will elicit a forthright response.

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