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Impact of Stress on Employee's Productivity in Financial Institutions in Nigeria

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Abstract
This study examines the impact of stress on employees' productivity in financial institutions in Nigeria. To achieve this objective, data was collected from primary and secondary sources. The secondary sources were from scholarly books and journals while the primary source involved a well structured questionnaire of three sections of fiifty items with reliability of 0.84, 0.75, 0.76, 0.81, 0.72 and 0.78 respectively. The data collected from the questionnaire were analyzed using relevant diagnostics tests and multiple regression models. The result revealed that there is a significant relationship between stress proxied using family factors, economic factors, job difficulty factors, peers' competition factors and organizational climate factors affects the performance workers in financial institutions in Nigeria. Therefore on the basis of the conclusion the paper recommends that to prevent annoying outcomes and to reduce stress consequences organizations should put in place proactive planning, open communication channels with peers and with management, increase levels of emplowerment and autonomy, rewarding creativity and innovation. Also management should encourage team work between workers and also the introduction of training programmes on emotional intelligence and stress control and management.
Keywords: Family, Financial Institution, Job, Organisational Climate, Performance, Productivity.

Introduction

Life in modern societies is generally not without stress. Stressful experiences have become part and parcel of living in contemporary society. In almost all human endeavours, human beings inadvertently go through some element of stress. Stress occupies a prominent position in psychological and medical research. Stress as an emotional experience can be a momentary affair. In such cases, the social antecedents of stress are short lived and we may posses the psychological resources to cope and go through the situations without undue disruption of adaptive responses. Stress is something ordinary, unavoidable fact in anyone life, caused by many factors either at work, or with the family at home, or at the external environment (Jarinto, 2011). According to Wilton (2011), it affects both the human resources and the management at the same time. Stress according to one research is basically an internal as well as external stimuli developed in person towards the surrounding around him, moreover these stress are related to individual as well as skillful life of persons too (Khuwaja, Qureshi, Andrades, Fatmi and Khuwala, 2002).

An emotional experience can become longstanding because we either do not posses the psychological wherewithal to deal with it or we are incapable of remedying the stressful situations. When stress is induced by longstanding conditions of tension, panic situations, conflicts, frustrations and anxieties, our efforts to cope are negated. In such cases the deleterious effects of stress not only affect our health and well – being but diminish our productivity. The outcome of job stress exceeds productivity and quality of employees performance, its psychological influence inverts into bad lifestyle habits like smoking, over eating, drinking alcohol and lead to serious chronic diseases like hypertension and heart diseases (Owolabi, Owolabi, Olaolorun and Olofin, 2012).

Stress is always present among employees however it can be reduced by improving quality of benefits in organizations and providing employees with the best working environment (Seibt et al, 2008). Stress is present in every phase of life and the infectants are the upper and lower level managers even chief executive officers (CEOs) are affected by it too. Complete freedom from stress comes only in death. The effect of stress is both functional and dysfunctional. Eutress is the stress of winning, achievement, triumph and exhilaration, which normally leads to pleasant experience, but distress is the stress of losing, helplessness, desperation, frustration and disappointment, which normally leads to unpleasant experiences. Bashir (2007) states that stress is increasing day by day and every employee has to face this, no matter whatever company employee working for and whether is male or female is always present. Stress is a Common element in any kind of job and persons have to face it in almost every walk of life. Stress has been defined in different ways over the years. According to Robbins and Sanghi (2006) "A dynamic condition in which an individual is confronted with an opportunity, constraints, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important." stress is an increasing problem in organizations and often cause adverse effects on performance.

This study therefore attempts to empirically investigate the effect of stress on employees' productivity in financial institutions in Nigeria. To achieve this objective, the paper is divided into five interconnected sections. The next section presents the review of relevant literature on stress and employees' productivity. Section three examines the materials and methods used in the study. Section four presents the results and discussion and the final section examines the conclusion and recommendations.

Literature Review

Conceptual Literature

Stress is something ordinary, unavoidable fact in anyone life, caused by many factors either at work, or with the family at home, or at the external environment (Jarinto, 2011). It affects both the human resources and the management at the same time. It is basically an internal as well as external stimuli developed in person towards the surrounding around him, moreover these stress are related to individual as well as skillful life of persons too. Stress is the programmed response of the individual towards a group of threats called stressors. Brown and Harvey (2006) defined stress as the interaction between the individual and the environment which as a result may affect his mental and physical conditions. It can also be defined as the physical and mental deficit which was caused by perceived danger (Rue and Byars, 2007). Bashir and Ramy (2010) added that stress is the situation caused as a result of several factors like lack of work information and feedback, continuous technological change, or when the individual is unable to cope with his job requirement, or to satisfy his needs.

Sen (2008) states that stressors are factors that make an individual stressed. It depends on how much it affects his life. Ivancevich, Konopaske and Matteson (2008) and Kreitner and Kincki (2010) presented four levels of stressors in the individual life. Individual level which consists of role conflict, role ambiguity and role overload, boredom and routine under load jobs; group levels consists of lack of cohensiveness inside the same group and groups' conflict; organizational level consists of culture, organizational structure, technology, organisaitonal change and the style of leadership and non work stressors consists of family, age, quality of life and economic factors.

Empirical Literature

Bashir and Ramay (2010) investigated the impact of stress on employee performance in the Pakistan banking industry. Their result showed that there is a significant with negative correlation between job stress and job performances and shows that job stress significantly reduce the performance of an individual. Rizavi, Ahmed and Ramzan (2011) study proved in their study that job stress can be a main factor in increasing turnover rate in the banking sector of Pakistan. Ayupp and Naguok (2011) found that work climate and organizational structure were the main stressors in the Malaysian banking sector and have a negative effect on employees' job satisfaction. They tried to find out the negative consequences of job stress on job satisfaction among the employees in spite of their high workload were satisfied. Shahid, Latif, Sohail and Ashraf (2012) empirically investigated work stress and employee performance in banking sector evidence from district Faisalabad Pakistan using six components of stress such as lack of administrative support, excessive work demand, problematic customer relations, coworker's relationship, family & work life balance and riskiness of job cause great stress in bankers and then decrease their performance.

Therefore on the basis of the literature, the following research questions and hypotheses were examined in this study:

Research Question 1: Are there any significant relationship between stress caused by (family factors, economical factors, job difficulties, peers' competition and organizational climate) and bankers' performance in Nigeria.

Ho1: There is no significant relationship that between stress caused by (family factors, economical factors, job difficulties, peers' competition and organizational climate) and bankers' performance in Nigeria.

Materials and Methods

The primary data for the study were generated through the administration of questionnaires conducted to evaluate stress and the productivity of employees in financial institutions in Nigeria. The target population includes all banks in Nigeria while the accessible population includes banks in Port Harcourt and Yenagoa both in Rivers and Bayelsa States respectively. A total three hundred and fifty (350) respondents were used from the accessible population from period August 2014 – February, 2015. The first part of the questionnaire contains questions on organization' and respondents' characteristics. The second part of the questionnaire examined the stress variables of family factors, economic factors, job difficulty, peers' competition and organizational climate (Shahid, Latif, Sohail and Ashraf, 2012; Al-Khasawneh and Futa, 2013) using five point scale of 5- strongly agree (SA), 4- agree (A), 3- undecided (U), 2- disagree (D) and 1-strongly disagree (SD). The third part of the questionnaire examines employee productivity (performance) in Bashir and Ramay (2010; Shahid, Latif, Sohail and Ashraf, 2012). A total of two hundred and seventy four (274) usable questionnaires were completed and used for the analysis. The questionnaire were pre-tested using forty - five (45) respondents in five banks and a reliability test was done on the data collected using Cronbach Alpha model, to explore the internal consistency of the questionnaire (kothari, 2004; Krishnaswamy, Sivakumar and Mathirajan, 2004; Baridam, 2008). The result of the reliability test shows that the designed questionnaire is highly reliable at 0.84, 0.75, 0.76, 0.81, 0.72 and

0.78. Excel software helped us to transform the variables into format suitable for analysis, after which the econometric view (E-view) was used for data analysis. The ordinary least square was adopted for the purpose of hypothesis testing. The ordinary least square was guided by the following linear model:

$PERF = \beta_0 + \beta_1 FAMF_1 + \beta_2 ECOF_2 + \beta_3 JODF_3 + \beta_4 PECF_4 + \beta_5 ORF_5 + \varepsilon$………………… (1)

PERF = Performance, FAMF = Family factors, ECOF = Economic factors, JODF = Job difficulty factors, PECF = Peers' competition factor, and ORF = Organisational factor. B0, β1, β2, β3, β4, β5 are the coefficients of the regression, while ε is the error term capturing other explanatory variables not explicitly included in the model. However, the model was tested using the diagnostic tests of heteroskedasitcity, serial correlation, normality and misspecification (Gujarati and Porter, 2009; Asterious and Hall, 2007). Augmented Dickey-Fuller was also used in the study for stationarity of data.

Results and Discussion

This section of the paper presents the results and discussion obtained from questionnaires administered to respondents from the sampled banks in Nigeria.

Table 1: Breusch-Godfrey Serial Correlation LM Test:

F-statistic	6.929189	Probability	0.113036
Obs*R-squared	13.34731	Probability	0.101213

Source: e-view output

Table one presents the Breusch – Godfrey Serial Correlation LM test for the presence of auto correlation. The result reveals that the probability values of 0.12 (12%) and 0.10 (10%) is greater than the critical value of 0.05 (5%). This implies that there is no evidence for the presence of serial correlation.

Table 2: White Heteroskedasticity Test:

F-statistic	0.942165	Probability	0.496821
Obs*R-squared	9.519861	Probability	0.483577

Source: e-view output

Table two shows the White Heteroskedasticity test for the presence of heteroskedasticity. The econometric result reveals that the probability values of 0.496 (50%) and 0.483 (48%) are considerably in excess of 0.05 (5%). Therefore, there is no evidence for the presence of heteroskedasticity in the model.

Table 3: Ramsey RESET Test:

F-statistic	0.067894	Probability	0.794795
Log likelihood ratio	0.071133	Probability	0.789695

Source: e-view output

Table three shows the Ramsey RESET test for misspecification. The econometric result suggests that the probability values of 0.794 (79%) and 0.789 (79%) are in excess of the critical value of 0.05 (5%). Therefore, it can be seen that there is no apparent non-linearity in the regression equation and so it would be concluded that the linear model for the accounting services is appropriate.

Table 4: Output of Statonarity Test for Unit Root

Variable	ADF Level	ADF First Difference	Philips –Perron Level	Philip Perron First Difference
PERF	-3.734385	-5.913238	-4.080133	-5.604378
FAMF	-5.205633	-5.117080	-5.205577	-5.117080
ECOF	-5.401524	-6.382351	-5.401524	-6.382351
JODF	-4.048278	-6.982531	-4.016975	-6.982531
PECF	-4.708267	-8.677968	-4.791522	-8.944514
ORF	-5.150467	-6.696784	-4.096982	-6.626784
Critical Value:				
1%	-3.621023	-3.626784	-3.621023	-3.626784
5%	-2.943257	-2.945842	-2.943427	-2.945842
10%	-2.610263	-2.611531	-2.610263	-2.611531

Source: Eview Output for Stationarity of Data

Table 5 shows the unit root test for statioanrity of data. The result suggests that performance (PERF), family factor (FAMF), economic factor (ECOF), job difficulty factors (JODF), peers' competition factor (PECF) and organizational factor (ORF) with ADF of -3.734385, -5.205633, -5.401524, -4.048278, -4.708267 and -5.150467 is less than -3.621023 for 1%, -2.9432257 for 5% and -2.610263 for 10% at level data 1(0) and for Philip Perron test performance (PERF), family factor (FAMF), economic factor (ECOF), job difficulty factors (JODF), peers' competition factor (PECF) and organizational factor (ORF) with -4.080133, -5.205577, -5.4010524, -4.016975,

-4.791522 and -4.096982. The result reveals that the variables are stationary at I(0).

Table 6: Multiple Regression Analysis
Dependent Variable: PERF
Method: Least Squares
Date: 03/20/15 Time: 15:58
Sample(adjusted): 1 274
Included observations: 273 after adjusting endpoints

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.275444	2.256856	1.451330	0.1488
FAMF	0.285935	0.095662	2.989017	0.0033
ECOF	0.249495	0.106627	2.339885	0.0206
JODF	0.216547	0.102573	2.111150	0.0363
PECF	0.273341	0.123184	2.218965	0.0400
ORF	0.220526	0.104976	2.100727	0.0327
R-squared	0.318414	Mean dependent var		12.99346
Adjusted R-squared	0.261218	S.D. dependent var		3.098167
S.E. of regression	2.888766	Akaike info criterion		4.997962
Sum squared resid	1226.711	Schwarz criterion		5.116803
Log likelihood	-376.3441	F-statistic		5.567008
Durbin-Watson stat	2.16401	Prob(F-statistic)		0.000100

Source: e-view output

Table six shows the multiple regression analysis for organizational stress and producitivty of employees in financial institutions in Nigeria. The result suggests family factors, economic factors, job difficulty factors, peers' competition factors and organizational factors with p-values of 0.0033, 0.0206, 0.0363, 0.0400 and 0.0327 is less than the critical value of 0.05. Hence, we deduce that there is a significant relationship between stress and employees' productivity in the Nigerian financial institutions. The R^2 (coefficient of determination) of 0.318414 and adjusted R^2 of 0.285935 shows that the variables combined determines about 32% and 29% of employees productivity. The F-statistics and its probability shows that the regression equation is well formulated explaining that the relationship between the variables combined are statistically significant (F-stat = 5.567008; F-pro. = 0.000100). This result is consistent with the study conducted by Al-Khasawneh and Futa, (2013), Hamaideh and Ammouri (2011), Hsin-Hui and Chien-Wei (2010) and Ayupp and Nguok (2011) that there is a significant relationship between stress and the performance of workers in organizations.

Conclusion and Recommendations

The study examined the effect of stress on the productivity of employees in the Nigerian financial institutions. Review of literature provides strong evidence of the effect of stress on the performance of workers in any organisation. Our research empirically substantiated the results of prior studies of the relationship between stress and the performance of employees' in financial institutions. The study highlights various variables in the study as proxy for stress affecting workers in the workers such as family factor stress, economic factor stress, job difficulty stress, peers' competition stress and organizational climate stress on the productivity of workers proxied with performance. The empirical analysis provided a significant relationship between stress and the performance of workers in financial institutions. On the basis of the empirical result, the paper concludes that family factors, economic factors, job difficulty factors, peers' competition factors and organizational climate factors affects the performance workers in financial institutions in Nigeria. Therefore on the basis of the conclusion the paper recommends that to prevent annoying outcomes and to reduce stress consequences organizations should put in place proactive planning, open communication channels with peers and with management, increase levels of emplowerment and autonomy, rewarding creativity and innovation. Also management should encourage team work between workers and also the introduction of training programmes on emotional intelligence and stress control and management.

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