

Employee stress and its impact on the performance of LIC employees in Tirunelveli District

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Abstract

Employees are the pillars of an organization and they play a crucial role in making the organization a successful one. The employees face work stress in any kind of field, but when the field has a lot of competition, the stress increases. In the field of insurance, until a few years ago, the Life Insurance Corporation of India (LIC) was the only company that offered insurance services to the citizens of the country. But, in recent times, many private players have entered the market and this has increased the burden on LIC to perform well and face the competition. This automatically increases the stress upon the employees of the organization which could also impact their performance. Thus, the present research will analyse the stress level of the employees working in LIC and how it affects their work performance. A total of 417 respondents were chosen for the study and the data was collected from them. Respondents were chosen by a method called "purposive sampling." Only people who belong to LIC were chosen. Confirmatory factor analysis was used to confirm the validity and reliability of the measurement tool and Structural Equation Modelling was used to find out the influence level between independent variable and dependent variable with a mediator, and AMOS software were used to look at the relationship among all the variables. The research revealed that the stress of the employees affects their work performance.

Keywords: work stress, employees, work performance.

INTRODUCTION

When you work, stress is a part of the job. People have to deal with it almost every day. A lot of people have been able to figure out what stress is in different ways over the years. When someone has an opportunity, constraint, or demand that is related to what he or she wants, Robbins and sanghi (2006) say it's "a dynamic condition that changes over time." Stress is becoming more common in businesses, and it can have a negative effect on how well people work. According to Kahn and Quinn (1970), "stress is the result of a facet of the work role that caused harm to the individual." Occupational stress is thought to be bad for the work environment. It also has bad effects on the health of a person. To David's work (1998): Physical and emotional reactions that can be bad

for people when their job doesn't match their abilities, resources, or needs can be called stress. Stress at work can make you sick or hurt yourself. According to ILO (1986), "It is seen as a major threat to individual mental and physical health, as well as the health of organisations." Stress has both good and bad parts, but it doesn't have to be bad. Robbins and sanghi (2006) also said that "stress is usually talked about in a bad way, but it can also be good." It is an opportunity when it has the potential to make money. Rubina et al., (2008) wrote the same thing. "Stress is not always bad or harmful, and not having stress is death." But it still has a bad effect on how well employees work. According to Usman and Ismail (2010), "One of the effects of stress is on job performance." So, they need to look into it

more. To learn, the goal is to find the impact of stress on the LIC's employees performance.,

Statement of the problem

The insurance industry in India is very competitive in the present context. There have been many new entrants who have the backup of international insurance companies. Among these insurance companies, the only insurance company that is owned by the government is the Life Insurance Corporation of India (LIC). Being the only public sector insurance company they face a huge competition from the other private insurance companies in all the fields. In order to keep the standard of the service, the private companies have many motivating as well as pressurising factors that makes the employees to work harder and provide better service to the customers. Owing to such competitions, the public sector company also has started pressurising the employees to adopt to the new technology in order to compete with the rivalling companies. Though stress is not something new to any employee working in any sectors, but when the competitions becomes too high, the stress of the employees increases manifold. The private companies provide various supporting measure and infrastructure to the employees to cope with their stress. These measures include periodical training in handling advanced technology, good infrastructure, adequate leave facility and family outing. But, in the absence of these facilities, it is paramount to investigate the kind of impact that it has on the work stress of the employees. Thus, it becomes essential to analyse how the employees of LIC are facing stress in their work life and how does it affect their performance. This is the research problems that the present research will try to analyse and moreover, the research is located in the Tirunelveli district.

Objectives

1. To findout the relationship between organisational facilities and employee performance
2. To analyse the impact of the stress on the employee performance of LIC.

Reviews of literature

Robbins (2003) divided the possible sources of pressure into three groups: 1) individual: family problems, economic problems, personal qualities. 2) Organizations: mission requirements, role requirements, interpersonal issues, organisational structure, and leadership style are two things to think about. Economic uncertainty, political uncertainty, and technological uncertainty are all factors in the outside world. We need to know how job stress affects us when we try to make changes. This way, we can confirm that job stress factors are real. For businesses, job stress has a lot of costs, like having to find new employees who aren't right for the job, training and education for employees, sick pay, and even death.

Adaramola (2012) talked about job stress and how it affects employees' abilities and productivity. He also talked about ways to reduce job-related stress and increase productivity. Interventions in the employees of a private company found that mental and emotional stress had an effect on their work and productivity. Khalatbari et al. (2013) found that burnout had a strong relationship with job stress, but burnout did not have a strong relationship with job motivation. Berdicchia and Masino (2019) found that employees who were more involved and had more control over their jobs made their jobs more stressful because they had to do more work and meet more difficult standards. In addition, studies have found that when people participate, they have less role conflicts and less role overloading, which improves their performance.

They thought that when a company has a high level of injustice (procedural and distributive), job stress will make employees less creative, civic-minded, and retaliatory. This will make the company's costs go up. Kim et al. (2020) looked at the relationship between job control, working overtime, and stress from a cross-cultural point of view. They looked at the relationship between job control, working overtime, and stress in the United States and South Korea, and found that job control had nothing to do with overtime in either country, but job control was very closely linked to job stress in South Korea. At the same time, they found that job control had different effects on cultural overtime, and they also found that job control had a big impact on stress for employees.

Farrell and Stamm (1988) came up with three ways that job stress can affect people: 1) the body's production; 2) the psychological burden; and 3) the way people act. In 1927, the Hawthorne studies were done. In 1932, Mayo, Roethlisberger, and Whitehead co-chaired the Hawthorne experiments, and they found that the emotional impact of workers' work behaviour, as well as social workers and psychological factors, are the main factors that make people happy and productive at work. They looked into the connection between burnout and job satisfaction, and found that emotional exhaustion is an important predictor of job satisfaction.

Gorenak et al. (2020) found that employees felt the effects of better organisational values, which made them more satisfied with their jobs. This meant that there was a positive relationship between organisational value innovation and job satisfaction. Wang, Wang, Zhang, and Miao (2020) found that in workplaces in the IT industry, employee satisfaction had spillover effects, which meant that it could have a big impact on both full-time and part-time workers' performance and job satisfaction. However, job satisfaction did not account for the difference in performance.

Using data from IT companies, Han et al. (2020) looked at how structures that affect employee performance, like psychology (meaningfulness and job engagement), behaviour (in-role performance) and empathy (job characteristics), work together. They found that employees had a strong relationship between job participation and performance, and that they tried to link the relationship between job characteristics and in-role performance, too. Miao et al. (2020) found that employees who worked for companies that did well at their jobs were more satisfied and committed to their jobs. It was Hung (2020) who looked into the relationship between employees' personality and job performance. He found that both working hard and working smart had an impact on job performance. Conscientiousness was also a factor, as was being open to new experiences. The job performance will also be affected by the person's extraversion, conscientiousness, emotional stability, and willingness to experience new things through working smart.

Khalatbari et al. (2013) found that job stress, job satisfaction, and job motivation are important.

This is what they said. Besides that, a study by Bouckennooghe et al. (2013) found that both positive and negative activities had an effect on job performance. It's important for an organisation to help its employees, as well as the community, and the environment, to keep growing. Chanda and Goyal (2020) looked into ways to improve employee satisfaction in the manufacturing industry. It was important to improve job performance, so this study used the Bayesian network method to look for relationships at all levels of employee satisfaction and job performance.

A study by Black and Gregersen (1997) also found that job satisfaction and job performance are linked, especially when employees put in more effort. This makes job performance and job satisfaction more important. Generally, job performance can be explained by how well employees do their jobs or how much they add to the value of businesses, and researchers have often looked at how well employees do their jobs to figure out how well they do their jobs. Wu (1986) came up with three different ways to measure performance. Performance assessments can be used for evaluation, as well as for job selection and job assignments, to help people and departments understand their contribution to the target level, and to help them plan for performance evaluations, like planning a working schedule, budgeting, and planning for human resources. Earlier studies looked at how job stress, job satisfaction, and work performance were linked (Chen & Silverthorne, 2008), but they were mostly focused on jobs in financial institutions and the government (Wu, 2011), as well as jobs in other service industries. Taiwan is an island economy that focuses on exports, so its industrial structure is mostly focused on high-tech industries right now. However, the work environments of science and technology industries are very different from traditional industries, which means they have longer work hours and more stress.

In addition, Steyn and Vawda (2014) said that factors like skill variety, task identity, task significance, autonomy, feedback, and so on can affect job satisfaction and stress. This means that traditional industries and technology industries may have different job characteristics, which could lead to different levels of job satisfaction and stress for employees. An important part of this study is to look at the manufacturing

industry. It looks at and analyses the differences between the traditional and the new industries.

Research Methodology

A pilot study was done to see if the study was possible. After the pilot study, the questionnaire was finalised and 417 people were chosen for the final research. Respondents were chosen by a method called "purposive sampling." Only people who belong to LIC were chosen. Confirmatory factor analysis was used to confirm the validity and reliability of the measurement tool and Structural Equation

Modelling was used to find out the influence level between independent variable and dependent variable with a mediator, and AMOS software were used to look at the relationship among all the variables.

Data Analysis

To analyse the influence level of organisational features on employees performance of LIC and the mediator of stress level influence on the relationship strength between organisational features and employees performance

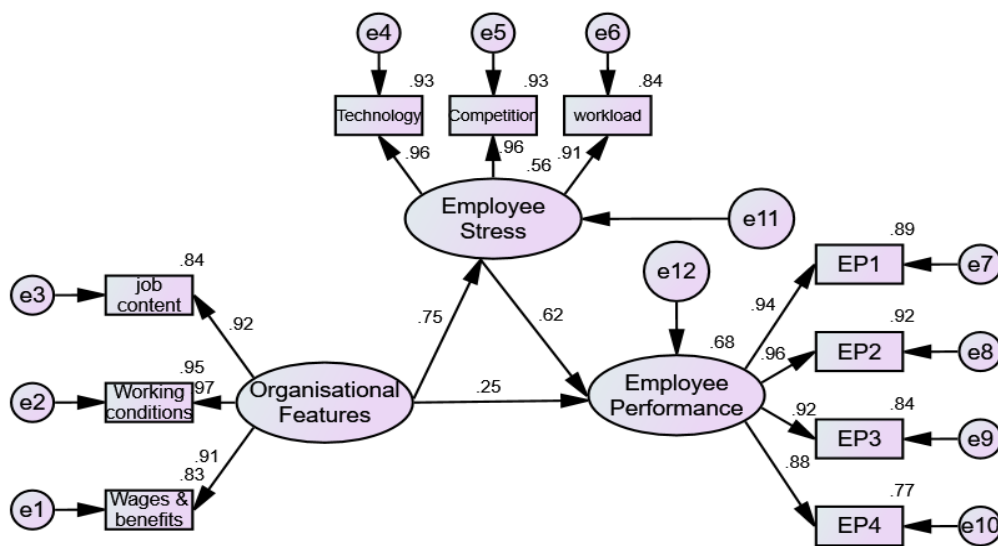


Fig.1 Standardised estimates of paths

Table no.1 Unstandardized Regression Weights

	Paths	Estimate	S.E.	C.R.	P	Label
Employee Stress	<--- Organisational features	.858	.032	26.608	.000	Supported
EmployeePerformance	<--- Organisational features	.247	.035	7.032	.000	Supported
EmployeePerformance	<--- Employee Stress	.545	.031	17.367	.000	Supported

The SEM analysis talks about the impact of the organizational features upon the performance of

the employees working in the LIC. Since the p value is 0.000 which is less than the significant

value of 0.05, it can be concluded that there is a positive impact. The organizational features has a positive impact upon the stress of the employees and whenever there is a one unit increase in the organizational features, there is a 0.858 unit increase in the stress of the employees. Similarly, the organizational features has a positive impact upon the performance of the employees. Whenever there

is a one unit increase in the organizational features, there is a 0.247 unit increase in the performance of the employees. Finally, the stress also has a positive impact upon the performance of the employees. Whenever there is a one unit increase in stress, there is a 0.545 unit increase in the performance of the employees.

Table no.2 *Effect size of different paths*

Effect name	Independent Variable	Mediator Variable	Dependent variable	Effect Size	Result
Direct Effect	Organisational Features	-	Employee performance	.25	Significant
Indirect Effect	Organisational Features	Employee stress	Employee performance	.75*.62 = .465	Significant
Total Effect	Organisational Features	-	Employee performance	.715	Significant

The above table talks about the total, direct and indirect effect between the dependent and the independent variable. The organizational features is the independent variable, the employees performance is the dependent variable and the employees stress acts as the mediating variable. The total effect size between the organizational features and employee performance is 0.715. Among this the direct effect size between organizational features and employee performance is only 0.25. But, when the employee stress gets involved as the mediating variable, the effect size is 0.465. Thus, it can be concluded that the stress has a huge impact upon the performance of the employees working in the LIC.

Findings

1. One of the major findings of the present research is that the organizational facilities helps the employees to cope with the stress that they face in the workplace.
2. The stress that the employees face in the workplace has a significant impact upon the work performance of the employees working in various sector, particularly the insurance sector.

Suggestions

1. Planning and scheduling once work properly can greatly reduce the stress related to

the workplace as most of the stress that arises in the workplace is either the accumulation of too much work or the arrival of a deadline. Thus, planning and scheduling one's work can greatly help in reducing the work related stress of the employees.

2. Though work is important, spending time with one's family is equally important. When too much work accumulates or an employee is entrusted with a lot of work more than he could handle, the employees are forced to take away their family time and spend it to complete their work related tasks. Thus, both the insurance companies as well as the employees need to work together in order ensure that work doesn't affect life and life doesn't interfere in work.

3. Physical activities can great help in doing away with the stress in one's life. Thus, the employees need to involve themselves in regular exercises, meditation, yoga, etc. in order manage their stress well.

4. Concentrating on an outdoor or an indoor game could be a game changes for the employees. If they take interest in a game and spend time regularly in that game, it can be a great stressbuster.

5. Peers can great help in reducing one's pressures. Thus, it is essential for the employees to help each other in times of need in order to reduce the stress of each other.

Conclusion

Insurance schemes are getting wide acceptance among the people in India. People have started realising that life is full of uncertainties and we need to be prepared for the unwanted. When one is caught unguarded in a misfortune, they might lose everything in their life including their hard earned savings. Thus, it becomes essential for the human beings to have an insurance policy in their life. This is not only applicable to the common people but also includes the employees of the insurance companies. Once upon a time, in the Indian context, there was only one insurance company and that was the LIC. But today, many private players have entered the field and they are giving a heavy competition to the public sector company. Thus, it becomes essential for the LIC to work doubly hard in order to meet the competition. Working doubly hard creates a lot of pressure among the employees of the company and the present research has revealed that it affects the work efficiency of the employees. Thus, the research has suggested various ways such as time-management, involved of physical exercises, spending quality time with the family, etc. in order to cope with the work related stress that could affect the performance of the employees.

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