EFFECTS OF STRESS ON EMPLOYEE PRODUCTIVITY

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Abstract
This study examined the effect of stress on employee productivity in the Nigerian banking industry. Many organizations, especially banks in the world are witnessing an alarming increase in the negative effects of stress on employee productivity and this necessitated the need for this research work. The study reviewed relevant theoretical and empirical literature, and is anchored on Person Environment (PE) Fit Theory. The study adopted survey research method. The population of study constitutes five selected banks in Awka metropolis. Purposive sampling method was used to select a total of 250 employees. The data used in this study were generated using 5-point Likert scale questionnaire. The data generated were analyzed using simple percentage analysis while the hypotheses formulated were tested using chi-square statistical technique. The study revealed that workload pressure has significant effect on employee productivity. Also revealed was that stress hinders effective performance of the employees. It was therefore recommended amongst others that remedial measures need to be taken by management to minimize the effect of job stress on permanent basis.

Keywords; Employee, Productivity, Stress, Environment and Industry

INTRODUCTION
In today’s world, stress has become a worldwide phenomenon, which occurs in various forms in every workplace. In today’s work life, employees are generally working for longer hours, as the rising levels of responsibilities require them to exert themselves even more strenuously to meet rising expectations about work performance (Mark, 2012). Stress is a complex and dynamic concept. Undesirable level of stress affects overall performance of the organization. Therefore, in order to get the work done effectively, the organization or manager should properly manage the level of stress. To achieve this organizational objective, all the factors which influence stress should be properly identified and measured (Kamalakumati and Ambika, 2013). Job stress has a vital importance and has become a key challenge for the organizations because of its strapping impact on the performance of an individual as well as the organization. Employees serve as assets for an organization, but when they are stressed, undesirable circumstances such as increased absenteeism; low productivity, low motivation and usually legal financial damages (which eventually effect the employee work behavior and leads him/her towards the counter-productive work behavior) emerge. Stress in organizations affects both the individual and the organization (e.g. increased turnover rates). Individuals can be affected at the physiological, affective, and behavioral levels, and in their leisure time and family life. Stress affects
individuals and organizations within different time frames. Stress reactions can occur immediately (short-term reactions) and/or may take longer time to develop (long-term reactions). With respect to physiological responses, stress has an effect on the cardiac system. For example, individuals in so-called high-strain jobs (i.e., job with high demands and low job control, show higher blood pressure than individuals in other types of jobs (Schwartz, Pickering, & Landsbergis, 1996). Performance of an employee at his/her workplace is a point of concern for all the organizations, irrespective of all the factors and conditions. Consequently the employees are considered to be very important assets for their organizations (Qureshi & Ramay, 2006). A good performance of the employees of an organization leads towards a good organizational performance thus ultimately making an organization more successful and effective and vice versa (Armstrong & Baron, 1998). Stress is an unavoidable consequence of modern living. It is a condition of strain that has a direct bearing on emotions, thought process and physical conditions of a person (Jayashree, 2010). In fact, stress is much more common in employees at lower levels of workplace hierarchies, where they have less control over their work situation (Beheshtifar & Nazarian, 2013).

Stress can be considered as an unpleasant emotional situation that we experience when requirements (work-related or not) cannot be counter-balanced with our ability to resolve them. This results in emotional changes as a reaction to this danger. It stems from the relationship between a person and his environment, and it appears as pressure that is subjective because the same stress can affect one person but not another. When an employee can manage the pressures of the job and the possibility to complete a task is substantial, then stress can work as a motivating factor (Halkos and Dimitrios, 2008).

Stress can be positive (Eustress) or negative (Distress). Eustress results can be stimulating, thus enhancing work performance and positively encouraging workers to make efforts. Distress results in negative effects on workers’ health and performance. Employee performance is adversely affected by workplace stress. This in turn reduces the effectiveness of the employees and organization (Jimmieson et al., 2004). Such job stress often results in workplace accidents (Moore, 2000).

Work stress, also known as hazard in a traditional working environment, is recognized worldwide as a major challenge to workers’ health and the healthiness of their organization (ILO, 1992). Stress can be brought about by pressures at home and work. Employers of labour in Nigeria do not protect their workers from stress arising outside and within the work place (Adetayo, Ajani and Olabisi, 2014). Organizations as well as their workers have been facing hardship for some time, considering that employers of labour are not adhering to the international labour organizations protocol which posit that employers of labour should initiate a stress management policy that will not only enhance the effectiveness and productivity of their organizations but will boost their morale at work and make them healthier (Bewell, Yakubu, Owotunse and Ojih, 2014). Therefore, this study will examine the effect of stress on employee productivity.

**Problem**

Many organizations, especially banks in the world are witnessing an alarming increase of the negative effects of stress on employee productivity (Henry and Evans 2008). Most organizations with the aim of attaining higher productivity end up saddling employees with overload of work in order to meet deadline, and this might have psychological and physical effects on the employees. This may result in something contrary to what these organizations want to achieve (Mark, 2012). Empirically, the relationship between stress and employee productivity have not been resolved. Alam, Gouhar and Shafiqur (2015) and Usman and Muhammad (2010) studies revealed that there is

These empirical findings show that the effect of stress on employee productivity is not yet resolved. Also, not much has been done on the effect of stress on employee productivity in the Nigerian banking industry, hence the need for this research work.

**Population of the Study**

The population of study is made up of all the employees of five selected commercial banks in Awka metropolis. The banks include First Bank Nigeria Plc, Union Bank of Nigeria Plc, Zenith Bank Plc, Fidelity Bank Plc and United Bank for Africa Plc.

**Sample and Sampling Technique**

The research employed judgmental sampling technique to choose the banks and customers to get the desired target. Thus, a sample size of 250 respondents was chosen through purposive sampling. The sample comprised of 50 employees from each of the selected banks in Awka Metropolis.

**Sources of Data**

The researchers made use of primary and secondary sources of data. The primary sources of data include the questionnaire and the personal interview, while the secondary sources of data include journals, magazines, textbooks, and the internet.

The major instrument used in this research work is the questionnaire. The questionnaire was open-ended in nature and was structured in such a way that the respondents had clear understanding of the questions. The need to enhance easy comprehension and analysis prompted the use of the frequency distribution table to present the data gathered. The tools used in analyzing the data collected include tables and simple percentages.

The chi-square test technique was used for testing the hypotheses. The statistical analysis involved converting the series of recorded observation collected during the research into descriptive statements. The formular is thus stated below:

\[ X^2 = \sum \frac{(O - E)^2}{E} \]

Where \( X^2 \) = Chi-square

\( O \) = Observed Frequency

\( E \) = Expected Frequency

\( \Sigma \) = Summation

**Statistical Decision:** If the calculated chi-square \( X^2 \) is greater than the critical value \( X^2_t \), the null hypothesis is rejected, giving room for the acceptability of the alternative hypothesis. If the calculated chi-square is less than the critical value, the null hypothesis will be accepted while the alternative hypothesis will be rejected.
PRESENTATION AND ANALYSIS OF DATA

The data to be presented and analyzed is based on findings from the questionnaire distributed to the employees of the five selected banks. The researchers distributed 250 copies of the questionnaire to the respondents. Out of the 250 copies of the questionnaire distributed, 212 were properly filled and found relevant for the study, while the remaining 38 copies of the questionnaire were either not properly filled or misplaced by the respondents. This shows a response rate of 85 percent.

Likert-type items on a five point scale and open-ended questions were employed to measure the perceptions of the respondents on the effects of stress on employee productivity. Data obtained are presented using the tabular format, and analyzed using percentage method. From the analyzed data, chi-square statistical technique was used to test the hypotheses.

1 Presentation of Data Relevant to the Research Questions

The tables and analyses presented below covers the objectives of this research work.

<table>
<thead>
<tr>
<th>s/n</th>
<th>Questions</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Working under pressure is a major stressor.</td>
<td>87(41.1)</td>
<td>92(41.1)</td>
<td>9(4.2)</td>
<td>14(6.6)</td>
<td>10(4.7)</td>
</tr>
<tr>
<td>2</td>
<td>Environmental pressure is a factor that causes stress among employees.</td>
<td>69(32.5)</td>
<td>109(51.4)</td>
<td>12(5.7)</td>
<td>12(5.7)</td>
<td>10(4.7)</td>
</tr>
<tr>
<td>3</td>
<td>The pressure from the organization leads to stress and frustration among employees.</td>
<td>102(48.1)</td>
<td>86(40.6)</td>
<td>4(1.8)</td>
<td>12(5.7)</td>
<td>8(3.8)</td>
</tr>
<tr>
<td>4</td>
<td>Excessive work load and working extra hours or overnight affects employees productivity negatively.</td>
<td>97(45.8)</td>
<td>82(38.7)</td>
<td>4(1.8)</td>
<td>19(9.0)</td>
<td>10(4.7)</td>
</tr>
<tr>
<td>5</td>
<td>The conflicting demands of the three elements in the organization (employer, employee and consumers) can cause stress.</td>
<td>106(50)</td>
<td>82(38.7)</td>
<td>9(4.3)</td>
<td>4(1.8)</td>
<td>11(5.2)</td>
</tr>
<tr>
<td>6</td>
<td>Stress hinders effective performance of duties by the employees.</td>
<td>106(50)</td>
<td>101(47.6)</td>
<td>0(0)</td>
<td>3(1.4)</td>
<td>2(1.0)</td>
</tr>
<tr>
<td>7</td>
<td>Lack of effective organization planning and coordination leads to stress.</td>
<td>68(32.1)</td>
<td>72(34.0)</td>
<td>12(5.6)</td>
<td>35(16.5)</td>
<td>25(11.8)</td>
</tr>
<tr>
<td>8</td>
<td>The pressure from the family can affect employee productivity negatively.</td>
<td>111(52.4)</td>
<td>72(34.0)</td>
<td>9(4.2)</td>
<td>12(5.7)</td>
<td>8(3.7)</td>
</tr>
<tr>
<td>9</td>
<td>Effective stress management leads to higher productivity among employees.</td>
<td>99(46.7)</td>
<td>74(34.9)</td>
<td>8(3.8)</td>
<td>21(9.9)</td>
<td>10(4.7)</td>
</tr>
<tr>
<td>10</td>
<td>Effective communication channel in the organization can help to minimize stress.</td>
<td>101(47.6)</td>
<td>87(41.1)</td>
<td>6(2.8)</td>
<td>8(3.8)</td>
<td>10(4.7)</td>
</tr>
<tr>
<td>11</td>
<td>Improper management of stress among employees affects organizational productivity.</td>
<td>92(43.4)</td>
<td>89(42.0)</td>
<td>4(1.9)</td>
<td>20(9.4)</td>
<td>7(3.3)</td>
</tr>
<tr>
<td>12</td>
<td>Proper leadership styles reduce the level of stress among employees.</td>
<td>89(42.0)</td>
<td>99(46.7)</td>
<td>4(1.8)</td>
<td>12(5.7)</td>
<td>8(3.8)</td>
</tr>
</tbody>
</table>


i. The table above depicts that: 41.1% of the respondents strongly agree that working under press is a major stressor, 43.4% of the respondents agree, 4.2% were undecided, 6.6% disagreed, while the remaining 4.7% disagreed.
ii. 69 of the respondents, representing 32.5% strongly agreed that environmental pressure is a factor that causes stress among employees, 51.4% of the respondents agreed, 5.7% of the respondents were undecided, 5.7% disagreed, while 4.7% strongly disagreed.

iii. 48.1% of the respondents strongly agree that pressure from the organization leads to stress and frustration among employees, 40.6% agreed, 1.8% were neutral, 5.7% disagreed, while the remaining 3.8% strongly disagreed.

iv. 45.8% of the respondents strongly agreed that excessive workload and working extra hours or overnight affects employees productivity negatively, 38% agree, 72% of the respondents disagreed, while the remaining 6% strongly disagreed.

v. 46.7% of the respondents agreed that effective stress management leads to higher productivity among employee, 34.9% agreed, 3.8% were neutral, 9.9% disagreed, while the remaining 4.7% strongly agreed.

vi. 47.6% of the respondents agreed that effective communication channel in the organization can help to minimize stress, 41.1% agreed, 2.8% of the respondents were neutral, 3.8% disagreed, while the remaining 4.7 strongly disagreed.

vii. 43.4% of the respondents strongly agreed that improper management of stress among employees affects organizational productivity negatively, 42.0% of the respondents agreed, 1.9% were neutral, 9.4% disagreed, while 3.3% strongly disagreed.

viii. 42% of the respondents strongly agreed that proper leadership styles reduce the level of stress among employees, 46.7% agreed, 1.8% of the respondents were neutral, 5.7% disagreed, while 3.8% strongly disagreed.

Test of Hypotheses
In this study, three hypotheses were empirically tested. This was aimed at verifying the validity of the proposition finding out the relationships that exist between the variables under study. Hence Chi-square, often denoted as X², was used to test the research hypotheses.

Hypothesis One
Ho: Workload pressure does not have significant effect on employee productivity.
Hi: Workload pressure has significant effect on employee productivity.

In testing this hypothesis, responses from table 4.1 to 4.4 will be used.

Computation of Expected Frequencies
Fe = (RT x CT) / GT

Where Fe = Expected Frequency
RT = Row Total
CT = Column Total
GT = Grand Total
The figures in brackets are the expected frequencies for each of the options.

<table>
<thead>
<tr>
<th>Question</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>87 (88.75)</td>
<td>92 (92.25)</td>
<td>9 (7.25)</td>
<td>14 (14.25)</td>
<td>10 (9.5)</td>
<td>212</td>
</tr>
<tr>
<td>2</td>
<td>69 (88.75)</td>
<td>109 (92.25)</td>
<td>12 (7.25)</td>
<td>12 (14.25)</td>
<td>10 (9.5)</td>
<td>212</td>
</tr>
<tr>
<td>3</td>
<td>102 (88.75)</td>
<td>86 (92.25)</td>
<td>4 (7.25)</td>
<td>12 (14.25)</td>
<td>8 (9.5)</td>
<td>212</td>
</tr>
</tbody>
</table>
Table 19 Computation of Chi-Square Distribution Table

<table>
<thead>
<tr>
<th>Cells</th>
<th>Fo</th>
<th>Fe</th>
<th>Fo - Fe</th>
<th>((Fo - Fe)^2)</th>
<th>((Fo - Fe)^2/Fe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>87</td>
<td>88.75</td>
<td>-1.75</td>
<td>3.1</td>
<td>0.03</td>
</tr>
<tr>
<td>A2</td>
<td>92</td>
<td>92.25</td>
<td>-0.25</td>
<td>0.0625</td>
<td>0.00</td>
</tr>
<tr>
<td>A3</td>
<td>9</td>
<td>7.25</td>
<td>1.75</td>
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<td>0.42</td>
</tr>
<tr>
<td>A4</td>
<td>14</td>
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<td>0.0625</td>
<td>0.00</td>
</tr>
<tr>
<td>A5</td>
<td>10</td>
<td>9.5</td>
<td>0.5</td>
<td>0.25</td>
<td>0.26</td>
</tr>
<tr>
<td>B6</td>
<td>69</td>
<td>88.75</td>
<td>-19.75</td>
<td>390.1</td>
<td>4.40</td>
</tr>
<tr>
<td>B7</td>
<td>109</td>
<td>92.25</td>
<td>16.75</td>
<td>280.6</td>
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</tr>
<tr>
<td>B8</td>
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<td>7.25</td>
<td>4.75</td>
<td>22.56</td>
<td>3.11</td>
</tr>
<tr>
<td>B9</td>
<td>12</td>
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<td>-2.25</td>
<td>5.06</td>
<td>0.36</td>
</tr>
<tr>
<td>B10</td>
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<td>9.5</td>
<td>0.5</td>
<td>0.25</td>
<td>0.03</td>
</tr>
<tr>
<td>C11</td>
<td>102</td>
<td>88.75</td>
<td>13.25</td>
<td>175.6</td>
<td>1.98</td>
</tr>
<tr>
<td>C12</td>
<td>86</td>
<td>92.25</td>
<td>-6.25</td>
<td>39.06</td>
<td>0.42</td>
</tr>
<tr>
<td>C13</td>
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<td>-3.25</td>
<td>10.56</td>
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</tr>
<tr>
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<td>5.06</td>
<td>0.36</td>
</tr>
<tr>
<td>C15</td>
<td>8</td>
<td>9.5</td>
<td>-1.5</td>
<td>2.25</td>
<td>0.94</td>
</tr>
<tr>
<td>D16</td>
<td>97</td>
<td>88.75</td>
<td>8.25</td>
<td>68.06</td>
<td>0.77</td>
</tr>
<tr>
<td>D17</td>
<td>82</td>
<td>92.25</td>
<td>-10.25</td>
<td>105.1</td>
<td>1.14</td>
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<td>D18</td>
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<td>-3.25</td>
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<td>14.25</td>
<td>4.75</td>
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<td>0.5</td>
<td>0.25</td>
<td>0.03</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>21.79</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors' Computation

Therefore, chi-square calculated = 21.79

Determination the Critical Value

Df = (R – 1)(C – 1)

Df = (4 – 1)(5 – 1)

Df = (3)(4)

Df = 12

Level of Significance = 5% = 0.05

Therefore the, Critical value \(X^2 = 21.026\)

Decision

The decision rule states that null hypothesis should be rejected if the chi-square calculated (21:02) is greater than the critical value of chi-square (21.79), otherwise accept. Since the computed chi-square is greater than the critical value of chi-square is greater than critical value, we reject the null hypothesis.
and accept the alternate hypothesis which states that workload pressure has significant effect on employee productivity.

Hypothesis Two

\( H_0: \) There is no significant relationship between effective stress management and employee productivity.

\( H_i: \) There is a significant relationship between effective stress management and employee productivity.

In testing this hypothesis, tables 4.5 to 4.8 will be used.

**Computation of Expected Frequencies**

\[
Fe = \frac{RT \times CT}{GT}
\]

Where \( Fe \) = Expected Frequency

\( RT \) = Row Total

\( CT \) = Column Total

\( GT \) = Grand Total

The figures in brackets are the expected frequency for each of the options.

**Table 22 Contingency Table for Hypotheses Two**

<table>
<thead>
<tr>
<th>Question</th>
<th>SA</th>
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<th>UD</th>
<th>D</th>
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<th>Total</th>
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<td>9</td>
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<td>74</td>
<td>8</td>
<td>21</td>
<td>10</td>
<td>212</td>
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<tr>
<td></td>
<td>(95.25)</td>
<td>(87.25)</td>
<td>(5.5)</td>
<td>(15.25)</td>
<td>(8.75)</td>
<td></td>
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<tr>
<td>10</td>
<td>101</td>
<td>87</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>212</td>
</tr>
<tr>
<td></td>
<td>(95.25)</td>
<td>(87.25)</td>
<td>(5.5)</td>
<td>(15.25)</td>
<td>(8.75)</td>
<td></td>
</tr>
<tr>
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<td>92</td>
<td>89</td>
<td>4</td>
<td>20</td>
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<td></td>
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<td>(87.25)</td>
<td>(5.5)</td>
<td>(15.25)</td>
<td>(8.75)</td>
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<td>12</td>
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</tr>
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<td>(87.25)</td>
<td>(5.5)</td>
<td>(15.25)</td>
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</table>


**Table 23 Computation of Chi-Square Distribution Table for Hypothesis 3**

<table>
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<th>Fo - Fe</th>
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<td>A1</td>
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<td>0.1</td>
</tr>
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<td>A2</td>
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<td>-13.25</td>
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</tr>
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<td>A3</td>
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<td>6.25</td>
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</tr>
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<td>8.75</td>
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</tr>
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<td>B6</td>
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</tr>
<tr>
<td>C13</td>
<td>4</td>
<td>5.5</td>
<td>-1.5</td>
<td>2.25</td>
<td>0.4</td>
</tr>
<tr>
<td>C14</td>
<td>20</td>
<td>15.25</td>
<td>4.75</td>
<td>22.6</td>
<td>1.5</td>
</tr>
<tr>
<td>C15</td>
<td>7</td>
<td>8.75</td>
<td>-1.75</td>
<td>3.1</td>
<td>0.35</td>
</tr>
</tbody>
</table>
### Determination the Critical Value

\[
Df = (R - 1)(C - 1)
\]

\[
Df = (4 - 1)(5 - 1)
\]

\[
Df = 12
\]

Level of Significance = 5% = 0.05

Therefore the, Critical value \(X^2 = 21.026\)

### Decision

The decision rule state that null hypothesis should be rejected if the chi-square calculated is greater than the critical value of chi-square, otherwise accept. Since the computed chi-square is greater than the critical value of chi-square i.e. 22.1 is greater than 21.026, we reject the null hypothesis and accept the alternate hypothesis which states that there is a significant relationship between effective stress management and employee productivity.

### Conclusion

This study examined the effects of stress on employee productivity in five selected banks in Awka, Anambra State. The study found that the major effect of work-induced stress on an organization is reduced productivity. Reduced productivity can also result when an employee is experiencing negative work-induced stress. Employees under stress are much less inclined to channel energy into continuous improvement initiatives or creative problem solving pursuits. While in self-preservation mode when dealing with stress, individuals tend to spend their time and energy doing the bare minimum to keep up. As well, an over-stressed team will have less energy to begin with, as studies have shown that stress depletes energy stores and a person’s physical and mental capabilities.

Often greater demands are placed on workers (especially in the banking sector) in today’s competitive marketplace and in today’s economic climate. Companies are expected to try to do more with less. Although profitability is the focus, this pursuit cannot be to the detriment of the workforce. Putting too much pressure and stress on staff to perform will ultimately have the opposite effect – reduced employees productivity.

It is understandable that in every organization certain percentage of the working population suffers from work-induced stress but stress, should not be taken as individual problem. If an organization management considers stress as individual problem and not management problem, then they have to face loss due to absenteeism, quitting of jobs, total cost of work-related accidents and low quality work. Therefore, organizations should handle stress positively to increase productivity. This study concludes that workplace stress has negative relations with employee productivity.
Recommendations

The study therefore recommends that:

1. Remedial measures need to be taken by management to minimize the effects of job stress on permanent basis. For this purpose, management must conduct the research programs to build the managerial and technical skills of employees.

2. The managers and supervisors should give proper attention to the employees and create an amiable environment that may urge them to be responsible and productive.

3. Management must conduct an analysis of the organizational mood and climate by assessing the reasons the employees think the organization does not care about its employees and what they can do to change it.

4. Supervisors must assess the level of their subordinates’ knowledge and skills and whether they will be able to meet their deadlines. They must agree on a performance contract, so that they can give employees with job maturity, control over their jobs.

REFERENCES


