

## An empirical investigation on factors influencing on work stress: Evidence from banking industry

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### CHRONICLE

*Article history:*  
Received March 18, 2015  
Received in revised format 28  
March 2015  
Accepted 29 May 2015  
Available online  
May 30 2015

*Keywords:*  
Work stress  
Personal characteristics  
Banking industry

### ABSTRACT

An individual with a career faced with various career challenges may experience work-related stress. Work related stress is a factor that threatens employees' health. The most common negative consequences of stress are particularly the deterioration of performance and efficiency, decrease in productivity and quality of customer's services, which results in health problems. Work-related stress is a global issue, and banks are no exception. This paper presents a survey to investigate the influencing factors on work stress in banking industry. The study designs a questionnaire and distributes it among 200 randomly selected bank department managers in city of Tehran, Iran. Using principle component analysis, the study has detected five factors including organizational characteristics, external environment, work content, personal characteristics and top management.

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## 1. Introduction

One of the most stressful periods of a normal day can be during working hours. Usually, workers spend about eight to ten hours at work, five or six days per week (Janipha et al., 2012), an individual with a career faced with various career challenges may experience work-related stress. Work related stress is a factor that threatens employees' health (Sert et al., 2014). The most common negative consequences of stress are particularly the deterioration of performance and efficiency, reduced productivity, decrease in quality of customer's services, health problems, frequent absence, accidents at work, use of alcohol and drugs, deliberately destructive behavior, e.g. spreading unconfirmed rumors and stealing (Happell et al., 2003; Perrewé et al., 2004, Quick et al., 1997; Banovcinova & Baskova, 2014). Evidence associated with stress with illness has emerged from a variety of experimental, clinical and epidemiological research strategies which resulted in a vast literature (Steptoe, 1991; Masari et al., 2013). Menon and Akhlish (1994) stated that stress could affect the individual's adjustment influencing performance and production of the entire organization (Hashim et al., 2012). It accounts for 50-60% of all lost working days (Persechino et al., 2013). Due to the destructive consequence of

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work stress in recent years, various international organizations have set initiatives to raise awareness regarding the psychosocial risks of work-related stress (Zoni & Lughini, 2012).

The stress literature offers so many “stress definition”. However there are some differences, in common it is accepted that the individuals who are trying to fulfill the requirements over their capacities are under stress (Vermunt and Steensma, 2005; Sert et al., 2014). According to Lazarus and Folkman (1984), stress is a cognitive mediation between what is provided by an individual and his/her interaction with the environment. According to Lazarus (1995), stress can also be defined as the imbalance between people’s perceived environmental demands and their perceived ability to cope with these demands (Elçi et al., 2012). Stress at the workplace has become an important issue because its consequences can take a heavy toll on organizations and their employees (Francis & Barling, 2005; Hart & Cooper, 2001; Tziner & Sharoni, 2014) and even go beyond them, up to the level of the society at large (Petreanu et al., 2013). According to Seňová and Antořová (2014) “Stress is the second most commonly reported work-related problem, which affected 22 percent of employees in the European Union in 2005”. In the United Kingdom, 40% of work-related illness is related to stress (Ly et al., 2014). In Japan situation seems to be more critical since more than 60% of employees are reported to suffer from anxiety and stress. According to the statistics, stress affects about one out of four workers. Stress involves not only personnel in leadership positions, but also it is a problem of everyone at any level (Seňová & Antořová, 2014).

It should be noted that some degree of stress can be effective on increasing and improving individual’s performance (Hasanvandi et al., 2013). However, once it exceeds a certain level, organization should expect a variety of negative consequences. The implications of work-related stress include the effects on worker satisfaction and productivity, their mental and physical health, absenteeism and its economic cost, the wider impact on family function and finally, the potential for employer liability (Tennant, 2001). Treven and Potocan (2005) stated that human resources loses 100 million workdays every year due to the aftermath of stress (Hashim et al., 2012). Mateescu and Chraif (2015) studied the relationship between job satisfaction, occupational stress and coping mechanism among employees of two organizations and determine whether there were differences between employees from educational organization and technical organization on these issues. They reported that there were significant differences between workers of the two firms on level of perceived stress, so the level of anxiety and stress were both higher for educational employees compared with those from technical organization, and the level of satisfaction from benefits was higher for employees from technical organization comparing to others.

As mentioned above, work-related stress is a global issue, and banks are no exception. Bank managers often fail to realize the impact of stress on employee performance which ultimately result in critical managerial dilemmas (Manea et al., 2013).

## 2. Methodology

This paper presents a study to find important factors influencing on work stress using factor analysis. The proposed study of this paper designs a questionnaire in Likert scale and distributes it among 200 bank department managers in the city of Tehran, Iran. Studies have been inducted in the following banks: Saderat, Pasargad, Karafarin, Shahr, Melat, Tejarat, Sarmayeh and Eghtesad Novin. Cronbach alpha is calculated as 0.85. In addition, Kaiser-Meyer-Olkin Measure of Sampling Adequacy test was equal to 0.88 and Chi-Square was measured as 1672.151, which validate the overall questionnaire. The questionnaire maintained 26 questions and since we plan to use factor analysis and this technique is sensitive to skewness we have decided to reduce the questions to 23.

### 3. The results

The results of factor analysis have indicated that five factors of organizational characteristics, external environment, work content, personal characteristics and top management were considered as the most important factors influencing on employees' stress. Table 1 summarizes the results of our survey.

**Table 1**

The summary of factor analysis)

Factor	Sub-Component	Weight	Eigenvalue	Variance	Accumulated
Organizational Characteristics	Favoritism	0.728	2.55	13.42	13.42
	Values	0.623			
	Organizational Justice	0.61			
	Job Rotation	0.593			
	Job Description	0.512			
External Environment	New Technology	0.69	2.174	9.451	22.871
	Customer Expectation	0.588			
	Economic	0.575			
Work Content	Workload	0.71	1.697	8.933	31.804
	Commitment	0.566			
	Shift Work	0.513			
Personal Characteristics	Individual Characteristics	0.76	1.655	8.709	40.513
	Gender	0.723			
	Tolerance	0.574			
	Age	0.537			
Top Management	Leadership style	0.767	1.641	8.635	49.148
	Role Conflict	0.754			
	Evaluation Methods	0.569			

### 4. Conclusion

The results of Table 1 indicate there were five important factors influencing work stress in banking industry including organizational characteristics, external environment, work content, personal characteristics and top management. In terms of organizational characteristics, favoritism was number one priority followed by values, organizational justice, job rotation and job description. External environment was the second factor consists of three sub-components including new technology, customer expectation and economics. The third factor, work content, consisted of three factors including workload, commitment and shiftwork. Personal characteristics was the fourth factor, which included four sub-components including individual characteristics, gender, tolerance and age. Finally, top management was the last factor, which included leadership style, role conflict and evaluation methods.

### Acknowledgement

The authors would like to thank the anonymous referees for constructive comments on earlier version of this work.

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