A Comprehensive Review on Impact of Stress on Organisation and Employees

Dr. Arti Dhingra[1] and Barkha Rani[2]

Associate Professor in Commerce Department, Dr. Bheem Rao Ambedkar College, Delhi, India[1]

Independent Researcher, Commerce and Management Field.(Haryana)[2]

ranibarkha2016@gmail.com

Abstract: *Stress in the workplace is a pervasive issue that affects employee well-being and organizational performance. This paper investigates the effects of workplace stress as distress specifically in the Indian context. It examines the sources, consequences, and coping mechanisms of workplace stress in India, drawing on secondary data from various studies. The findings reveal that workplace stress is significantly influenced by long working hours, job insecurity, and inadequate support systems. Recommendations for organizations are presented to mitigate stress and enhance employee well-being.*

Keywords: stress, workplace stress, scenarios, Performance, Mental health, satisfaction, conflicts.

I. INTRODUCTION

Workplace stress has become a significant concern globally, and India is no exception. With the rapid economic growth, changing job scenarios, and increasing competition, In India, the increasing pace of economic growth, rapid urbanization, and a transition towards a more competitive job market have significantly escalated workplace stress levels among employees (mishra,pk.,et al 2002). Employees face high expectations from employers to maintain performance standards, navigate complex work environments, and adapt to continual changes in technology and organizational structure (Kang,ls.,et al 2004). This multifaceted stressor landscape is compounded by cultural factors unique to India, including hierarchical work structures, collectivist values, and the stigma often attached to discussing mental health issues (Chandra., A ,et al 2010). High levels of stress can lead to absenteeism, reduced productivity, and increased turnover rates, thereby impacting economic performance at the national level (Kang,Ls., 2005). In light of these challenges, it is imperative to identify the contributing factors to workplace stress in India and develop culturally appropriate strategies for managing it.Previous studies have identified several key factors contributing to workplace stress in the Indian context, including work-life imbalance, lack of job security, high workloads, ineffective management practices, and insufficient workplace support (Shrivastav AK., et al 2006). Additionally, the importance of social support systems, coping strategies, and organizational climate cannot be understated in understanding how employees respond to stressors (Nema, G., et al 2010). The interplay between individual characteristics such as resilience and personality traits and the organizational environment further complicates the stress dynamic (Sayeed,O.b.,et al 2010).This paper aims to elucidate the effects of workplace stress, analyse the underlying contributing factors specific to the Indian work culture, and propose actionable solutions. In summary, addressing workplace stress in India is vital for ensuring employee well-being and enhancing productivity within the rapidly evolving global economic framework. The insights gained from this research will not only contribute to the academic discourse on workplace stress but will also serve as a guide for implementing effective stress management practices in diverse organizational settings.

Meaning of Stress

Stress is a common experience that everyone faces at different points in their lives. Simple words can explain stress as the body's response to pressures or challenges. It can be related to work, relationships, finances, or any situation that demands more from us than we might be able to give. In this paper, we will define stress, discuss its types, and explore how it affects us.

Stress is a psychological and physiological response to perceived demands or threats.(Levi, A.,et al)in his extensive work on organizational behaviour, sheds light on the concept of stress within the workplace, focusing on its implications for employees and organizations. Understanding stress is critical, as it affects productivity, interpersonal relationships, and overall organizational efficiency.

Definition of Stress

Stress can be defined in various ways depending on the context. The American Psychological Association (APA) describes stress as "a normal reaction to everyday pressures, but can become unhealthy when it upsets your day-to-day functioning" (American Psychological Association,

2021). In simpler terms, stress is how our body reacts when we feel overwhelmed or pressured.

V.S.P. Rao defines stress as a body's reaction to any change that requires an adjustment or response (Rao, 2017). This reaction can be physical, emotional, or psychological, and varies depending on individual perception of the situation. Rao emphasizes that stress is not merely a result of external circumstances but is significantly influenced by individual differences, including personality, coping mechanisms, and resilience.

II. LITERATURE REVIEW

Evidence on the work stress

Work stress arises when employees experience negative emotional states due to workplace challenges. Kyriacou and Sutcliffe describe stress as feelings of tension, frustration, anxiety, anger, and depression, a definition echoed by Newton (2009) and Head and Wearing (2002). Psychological theories also delve into stress, with Beehr and Newman (1978), French et al., and Cooper (1998) making significant contributions to understanding occupational stress. For instance, placing an introverted individual in a marketing role may hinder their performance, thereby inducing stress.When employees struggle to meet the demands of their job, this often leads to occupational stress. Poorly managed work organizations, inefficient work designs, weak leadership, substandard working conditions, and competitive workplace cultures are significant contributors to stress in modern business environments (Mead, 2001). Mead identifies workload as a primary source of stress, with higher production demands negatively affecting employee performance. As performance declines, stress levels tend to rise.

Supporting this, Siegrist's five-year study of 1,100 factory workers in 1996 revealed that increased workload led to heightened stress, elevated blood pressure, and higher cholesterol levels. Similarly, Rubina et al. (2008) found that limited resources, excessive workloads, poor communication, and uncomfortable relationships with supervisors were key factors elevating workplace stress.

Empirical Evidence on Stress and Organizational Performance

Stress significantly impacts employee turnover (Mead, 2009), and the turnover rate tends to differ between private and public sectors. Private sectors often experience higher turnover compared to public sectors. Additionally, turnover rates vary by region, with higher rates typically found in areas where unemployment is low and alternative employment opportunities are abundant. In some cases, turnover can benefit an organization, such as when an underperforming employee is replaced by a more skilled individual or when a retiring employee is succeeded by a younger, more energetic worker.

However, employee turnover can be costly for organizations. Costs associated with turnover include recruitment administration, expenses incurred during vacancies, and training for new hires (Dessler, 2000). Employees may leave their jobs for various reasons, such as being attracted to new opportunities or dissatisfaction with their current workplace. Domestic circumstances, like relocating with a spouse, or poor relationships with management can also drive employees to leave. Employees rarely resign from positions where they are satisfied, even when offered higher salaries elsewhere.

A lack of proper training and development opportunities is another key factor contributing to voluntary turnover. Employees generally value job security, and management can reduce turnover by implementing preventive measures. These may include offering effective supervision training for managers, creating a secure and supportive work environment, and retraining managers who have poor staff retention records. Managers should be held accountable for

turnover within their teams, and organizations can minimize turnover by offering flexible work hours, conducting regular appraisals, and providing job security. Increased stress among employees due to poor management practices can lead to higher turnover, ultimately reducing organizational profitability.

Occupational stress also diminishes employee morale. Workplace events such as mass layoffs, overtime cancellations, cuts to benefits programs, and the absence of union representation contribute to low morale. Other factors, like low wages, mistreatment of employees, and poor working conditions, further exacerbate this issue. Job security, management style, employee recognition, opportunities for merit-based promotions, and the perceived value and status of the work being performed all significantly influence workplace morale. A positive work culture and team composition can also play vital roles in maintaining employee satisfaction.

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Research Gap

Despite the growing body of literature on the relationship between stress and work performance, there remains a notable gap the specific contextual factors that influence this relationship across different industries and roles. And several gaps remain in the detailed review of literature. While existing studies frequently address general stressors and their impacts, there is a lack of in-depth analysis on how unique workplace cultures and varied job expectations modulate the stress performance connection.

Objective of the Study

The objective of this research is to explore how contextual factors, such as organizational culture and job characteristics, influence the relationship between stress and work performance in different occupational settings. By employing secondary data analysis.

Meaning of work place stress

Workplace stress refers to the physical and emotional strain experienced by employees due to the demands and pressures of their work environment. This stress can negatively impact mental health, (Salami., et al 2010)

Types of Workplace Stress

Job Demands and Role Conflict

Job demands refer to the physical, emotional, and cognitive requirements that come with a job. High demands can lead to role conflict, where employees are expected to fulfill conflicting responsibilities. Research indicates that such stressors are prevalent in Indian workplaces due to the increasing expectations from employers and the complex nature of tasks.(Massie.,et al 2018) Role conflict can induce significant anxiety, leading to burnout and reduced job satisfaction.

Work-Life Imbalance

In India, the blurred boundaries between professional and personal life often exacerbate stress levels. The pressure to meet demanding work schedules while managing familial obligations can result in chronic stress. Studies suggest that work-life imbalance not only affects employee morale but also leads to higher turnover rates and decreased productivity (Damaski,S.,et al 2016).

Job Insecurity

In a fluctuating job market, concerns about job security can be a substantial source of stress for employees. According to a study by Kumar and Sameer (K Ajay, Kumar Sameer., et al 2012), uncertainty regarding job stability negatively impacts mental health and increases anxiety levels. Employees grappling with job insecurity are less likely to engage fully in their roles, leading to diminished organizational commitment and productivity.

Organizational Culture and Leadership Style

The organizational environment plays a crucial role in determining employee stress levels, particularly in India where hierarchical and authoritarian leadership styles are prevalent. Studies indicate that inadequate open communication and insufficient managerial support can elevate stress and lead to employee disengagement (Chatterjee, Shukla, &Jaiswal, 2017). In contrast, organizations that cultivate a positive culture by promoting teamwork and acknowledging employee achievements tend to reduce stress and enhance overall health outcomes among employees (Tentama, Susilowati, &Marhani, 2019).

Workplace Relationships

Interpersonal dynamics within the workplace can either mitigate or intensify stress. Negative interactions, such as bullying or isolation from supervisors and colleagues, can significantly increase stress levels (Gupta & Sharma, 2020). Conversely, fostering positive workplace relationships creates a supportive environment that enhances employee resilience and lowers stress (Chatterjee et al., 2017).

Occupational Hazards

Employees working in high-risk sectors like manufacturing and construction are often exposed to both physical and psychological hazards, which can contribute to elevated stress levels. Prolonged exposure to such hazards may result in chronic health issues, further exacerbating stress. Reports emphasize the necessity for stringent safety regulations in these industries to alleviate occupational stress (International Labour Organization, 2018).

Sources of Workplace Stress

Workplace stress can stem from various factors, including extended working hours, job insecurity, and strained workplace relationships. These elements are particularly prominent in the Indian corporate sector, where demanding work environments are common. Employees facing these stressors frequently experience decreased job satisfaction, reduced productivity, and higher intentions to leave their jobs (Gupta & Sharma, 2020).

Gender Differences in Stress Levels

Research highlights significant differences in how men and women experience and cope with workplace stress. Women often report higher stress levels, which may be attributed to balancing professional responsibilities with household duties. These gender-specific stressors underscore the importance of implementing targeted interventions to support work-life balance, especially for female employees (Rani & Kumar, 2021).

Impact of Stress on Organizations and Employees

Decreased Job Performance

High levels of stress among employees are strongly associated with diminished job performance. Chronic stress can lead to fatigue, increased absenteeism, and a higher incidence of errors, all of which negatively impact overall productivity and organizational effectiveness (Rao, 2019).

Employee Turnover and Retention Challenges

Elevated stress levels contribute significantly to higher employee turnover rates. Employees often seek less stressful job environments, resulting in increased recruitment and training costs for organizations. This turnover also leads to the loss of valuable institutional knowledge, disrupting business operations (Chatterjee et al., 2017).

Health-Related Costs

The financial burden of workplace stress extends beyond decreased productivity. Organizations face increased healthcare costs due to stress-related health issues such as hypertension, anxiety, and depression among employees. These health problems not only affect individual well-being but also lead to substantial costs for companies in terms of medical expenses and lost workdays (World Health Organization, 2020).

Negative Impact on Organizational Culture

Sustained high levels of workplace stress can erode organizational culture, leading to low morale, disengagement, and increased conflict among employees. This deterioration fosters a toxic work environment that hampers collaboration and reduces overall organizational effectiveness (Chatterjee et al., 2017).

Economic Implications

Workplace stress has significant economic consequences, including reduced productivity, high turnover rates, and increased healthcare expenses. These factors collectively result in substantial financial losses for organizations, highlighting the importance of addressing workplace stress not only for employee well-being but also for maintaining organizational profitability (Rao, 2019).

Impact on Mental Health

There is a strong correlation between workplace stress and mental health issues such as anxiety and depression. Employees subjected to constant pressure and high demands are more likely to experience psychological distress, which adversely affects their ability to perform effectively at work (Nagori, Patel, & Shah, 2019).

Physical Health Consequences

Chronic workplace stress can lead to serious physical health problems, including cardiovascular diseases and hypertension. Employees experiencing prolonged stress are at a higher risk of developing these conditions, which contribute to increased absenteeism and diminished workplace performance (World Health Organization, 2020).

III. FINDINGS

Research indicates that workplace stress in India is a multifaceted issue influenced by various organizational factors. A positive organizational culture that fosters collaboration and recognizes employee contributions can help minimize stress. Conversely, toxic work environments and authoritarian leadership styles that prioritize control over support tend to exacerbate stress, leading to negative outcomes for both employees and organizations.

Stress Due to Work-Life Imbalance

Work-life imbalance is a significant stressor for employees in India. Organizations are encouraged to implement policies that support employees in managing both work and personal responsibilities, thereby reducing stress levels .(Agarwal,R.,et al 2020)

Job Insecurity Due to Technostress

The rapid advancement of technology has introduced a new form of stress known as

"technostress." Overreliance on technology for work tasks can lead to burnout and job insecurity, negatively impacting employees' mental health and increasing anxiety levels (Nagori et al., 2019; Liu, 2019).

Leadership Styles

Adopting supportive leadership styles, such as transformational leadership, can significantly reduce workplace stress. Leaders who promote collaboration and provide support contribute to a healthier work environment and better health outcomes for employees (Arun, Kumar, & Singh, 2021).

IV. SUGGESTIONS

Implement Work-Life Balance Initiatives

Organizations should actively promote policies that encourage a healthy work-life balance, including flexible work hours and remote work options (Agarwal, 2020).

Stress Management Training

Employers should provide training programs focused on stress management and coping strategies. Continuous professional development can empower employees, reducing feelings of inadequacy and stress (Gupta & Sharma, 2020).

Supportive Leadership Training

Training leaders to adopt supportive leadership styles can create a healthier work environment. Transformational leadership, which promotes collaboration and support, can effectively reduce workplace stress (Arun et al., 2021).

Enhance Communication and Intervention

Establishing open communication channels allows employees to discuss stress-related issues without fear of repercussions. Effective organizational interventions can alleviate stress, emphasizing the importance of mental health programs (Chatterjee et al., 2017).

Regular Assessments of Employee Well-being

Organizations should conduct regular surveys to assess employee stress levels and evaluate the effectiveness of stress-relief initiatives. Continuous monitoring helps in identifying areas that require improvement (World Health Organization, 2020).

V. FUTURE RESEARCH DIRECTIONS

As workplace dynamics continue to evolve, future research should focus on long-term stress management strategies and the role of emerging technologies in influencing stress levels. Understanding these factors will be essential for developing effective interventions to mitigate workplace stress.

VI. CONCLUSION

Workplace stress is a complex challenge that significantly affects both employee well-being and organizational productivity in India. To address this issue effectively, organizations must adopt a comprehensive approach that includes promoting work-life balance, fostering supportive relationships, and cultivating a health-oriented organizational culture. Prioritizing mental health through comprehensive stress management initiatives and relevant policies is essential. As the Indian workforce continues to evolve, mitigating workplace stress will be critical in creating a more productive and sustainable work environment, ensuring the well-being of employees and the success of organizations alike.

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