

UNRAVELING THE NEXUS OF OCCUPATIONAL STRESS AND ORGANIZATIONAL EFFECTIVENESS: A COMPREHENSIVE STUDY

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ABSTRACT

The Present paper is to analyze how workplace stress affects the efficiency of an organization. Eight essential components make up organizational effectiveness: a productive organizational structure, a pleasant workplace environment, organizational effectiveness, dynamism and adaptability, interpersonal harmony, effective leadership, strong morale, job satisfaction, and commitment. The study examines the relationship between occupational stress and each of these factors separately to give light on how they interact. The study also examines the effects of demographic factors, including age, gender, and management hierarchy level, on organizational effectiveness and stress. The study intends to discover potential variations in the link between work-related stress and organizational performance across various demographic groups by taking these factors into account. A thorough research technique, including data gathering, will be used to achieve the research objectives. The information will be statistically analysed in order to look into the connections between organisational effectiveness traits and workplace stress, as well as the influence of demographic factors. The findings of this study will advance our understanding of the intricate relationship between workplace stress and organisational effectiveness. The study's findings will help organizations create plans and initiatives aimed at lowering workplace stress and enhancing general organizational effectiveness. Additionally, the analysis of demographic factors will provide useful recommendations for handling and managing occupational stress in various labour scenarios.

Keywords: Role ambiguity, Role conflict, Role overloads, Occupational Stress, Organizational Effectiveness,

Introduction

Occupational stress has become a critical issue affecting both employees and organisations in the fast-paced and demanding environment of the modern workplace. There is widespread agreement that stress has negative consequences on people's health in general. However, there is still more research and learning to be done regarding how workplace stress affects organisational success.

The National Mental Health Association, now known as Mental Health America, performed a study that found that stress costs US employers an astounding \$500 billion in lost productivity each year. These results highlight how important it is to address the problem of job stress. Employees today deal with a lot of undesirable feelings including uncertainty, fear, despair, and aggravation in addition to increasing amounts of stress.

The effects of work stress go far beyond a person's own well-being. The expenses associated with the increased demands, pressures, and uncertainties fall mostly on organisations. Key organisational outcomes including productivity, employee engagement, job satisfaction, attrition rates, and overall performance are greatly impacted by the toll that stress has on people.

There is still much to learn about how occupational stress directly affects organisational success in the Indian context, despite the substantial corpus of research on the topic. While research from other nations has illuminated the link between workplace stress and organisational outcomes, it is crucial to take into account the particular cultural and contextual elements that mould the Indian workplace. A detailed examination into the effects of occupational stress on organisational success is necessary in India due to its diversified workforce and unique organisational practices. There is a complicated interaction between stresses and their effects on

employee well-being and organisational outcomes in India due to the socio-cultural dynamics, job expectations, and work environments that are common.

The socio-cultural context in which the Indian workforce works is distinct, featuring a variety of workplaces, jobs with different requirements, and organisational practises. The appearance and effects of occupational stress may be influenced by these contextual elements, demanding a thorough investigation of how it affects organisational success in the Indian environment.

This in-depth investigation tries to clarify the intricate interactions between workplace stress and organisational success. This research aims to offer insightful information and evidence-based suggestions that can help organisations address and mitigate the negative effects of occupational stress on their overall performance by examining the relationship between these two constructs.

To achieve these objectives, this study will employ a mixed-methods approach, combining quantitative surveys and qualitative interviews. A diverse sample of employees from IT industries and hierarchical levels will be recruited to ensure the study's representativeness and generalizability. The research instruments will be carefully designed to capture multiple dimensions of occupational stress and organizational effectiveness, encompassing aspects such as job demands, job control, social support, job satisfaction, organizational commitment, and performance outcomes.

According to the study's findings, it is critical to investigate the effects of occupational stress on organisational effectiveness as its incidence rises. By investigating the complex relationship between workplace stress and organisational success within the Indian setting, this in-depth study seeks to fill a gap in the body of knowledge. This research can aid in the creation of focused treatments and strategies that promote employee wellbeing and improve organisational performance in the face of rising workplace stress by revealing important insights.

Literature Review

According to Asthana (1985), stress is the body's unsure response to demands, basic environmental demands, or a reaction to the threat of an equilibrium condition. Stress, according to Brewer (2002), is commonly understood as a person's response to demands (also known as stressors) placed on them. These situations are those in which a person's wellbeing is negatively impacted by their inability to handle the demands of their surroundings. Stress is an improper occupational pressure or burden that negatively impacts the worker's mental and physical health. Occupational stress is a subset of stress because it is just psychological stress that is tied to one's employment. According to Jamal (1990), occupational stress can happen when someone is not given enough training, is not given the tools they need to do the work, or is faced with competing job expectations. People who work too much risk feeling stressed out at work, which can eventually result in burnout. According to Gaertner (1983), the organisational culture fostered by supervisors' leadership style is one of the additional likely factors of job stress. According to Montgomery, Blodgett, and Barnes (1996), job stress can have a negative impact on both the individual and the company since it decreases motivation and performance and raises turnover intentions. Over the past three or four decades, occupational stressors have been the subject of considerable and widespread research. Since the late 1970s, sources of managerial stress have been widely acknowledged. The four categories of work stressors proposed by Coetzer, C.F. & Rothmann (2007) are physical environment, individual level (a combination of role and career development variables), group level (primarily relationship-based), and organisational level (a combination of climate, structure, job design, and task characteristic). According to Chusmir (1988), there are seven types of workplace stressors: interpersonal interactions, physical qualities, organisational structure, career progression, change, and role within the organisation. Coetzer & Rothmann (2007) separated stressors into these four categories: task demands, physical demands, interpersonal expectations, and additional stresses. The Occupational Stress Index developed by Srivastava, A.K., and Singh, A.P. (1981) identifies the following twelve dimensions of organisational stress:

Role overload: Role overload refers to a range of work-related issues, including workload, staff shortages, time constraints, personal issues, and job unhappiness.

Uncertain and insufficient job-related knowledge, poor job planning, unclear expectations from coworkers and superiors, etc. are all signs of role ambiguity.

Conflicting roles: This dimension includes things like conflicting office directives and formal working processes, interference from higher-ranking authorities in working circumstances, unclear directives and subpar facilities about new assignments, trouble implementing new directives and policies, etc.

Political and social pressures: Issues including finding it difficult to adapt to formal norms and instructions as well as political and group pressures, being forced to act against one's will, maintaining group conformity, breaching formal procedures and regulations, etc., are included in this component.

The extent of one's duty for other people, other employees' futures, one's responsibility for the development of the organisation, etc. are all included in this dimension.

Under-participation: This dimension includes work-related topics including a person's position in the organisation, such as whether they have high or low power, whether they accept advice from others, etc.

Powerlessness: This dimension covers, among other things, issues like employee acceptance of management decisions, employee suggestions for training programmes, and the disarray of interest and opinion in the choice of individuals for important jobs.

Poor peer relationships: The area covered by this dimension refers to poor interpersonal relationships with colleagues, unsuccessful attempts made by coworkers to criticise and discredit the employee, coworkers' lack of cooperation in resolving workplace and administrative issues, employees' lack of cooperation and team spirit, etc.

The repetitive nature of assignments, the opportunity to develop aptitude and competency on one's own, the opportunity to perfect such skills, the role of suggestion in problem-solving, etc. are all examples of intrinsic impoverishment.

Low status: This dimension includes factors like how well-respected an employee is, how much a job's nature raises social standing, how much importance higher-ups give a position and its duties, etc. Stressful work environments, difficult and dangerous activities, unsatisfactory working conditions in terms of welfare and convenience, etc. are all included in this component. Unprofitability is exemplified by factors like low income, meager rewards, a lack of motivation, etc.

Organizational Effectiveness (OE)

An organisation is a social group that assigns tasks to members in order to accomplish a common goal. The word itself, which means a compartment for a certain task, is derived from the Greek word organon, which itself was derived from the word ergon, which is more commonly known as "organ." OE originally arose in the organisational behaviour theory of the 1950s. OE is a method that "fulfils objectives without incapacitating (an organization's) means," according to Ghorpade (1971). According to management academics, OE involves "defining goals, allocating resources, and assessing whether the goals were attained." Anthony and Herzinger (1980) state. Organisational effectiveness, according to Muhammad (2011), relates to how well a company produces the outcomes it seeks. It greatly aids in accelerating organisational growth. 2009 saw Bulent. It is the general level of satisfaction among all players in the process of gathering and successfully turning inputs into output, according to Matthew et al. (2005). The Malcolm Baldrige Quality Award (1999), one of the most popular instruments for evaluating organisational effectiveness, continues to serve as a model for this fundamental, all-inclusive technique. The important organizational/management functions described in the early literature are covered by the seven Baldrige performance criteria (leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process focus, and business results).

Statement of the Problem

The study further studies the relationship between occupational stress and organisational effectiveness to see whether there is one. Additionally, the eight aspects of organisational effectiveness are examined in relation to how each individual experiences occupational stress. The demographic factors that are taken into account are management hierarchy and gender. The top, medium, and lower levels of the management hierarchy are used to study the variation in occupational stress. Organisational efficiency is regarded as the dependent variable, whereas Occupational Stress is viewed as the independent variable.

Objectives of the Study:

- 1) Examine the connection between organisational performance and occupational stress.
- 2) The relationship of Occupational stress with the eight dimensions of Organizational Effectiveness.
- 3) Relationship between management hierarchy and Occupational Stress

Hypotheses of the Study:

H₀₁: There is no significant relationship between Occupational Stress and Organizational effectiveness.

H₀₂: There is no significant difference in Occupational Stress across the levels of management Hierarchy.

Research Methodology

This study employed a comprehensive research methodology to investigate the impact of occupational stress on organizational effectiveness in the IT sector. A total of 112 questionnaires, including The Occupational Stress Index and Organizational Effectiveness Scale (OES), were randomly distributed among employees. The Occupational Stress Index measured various dimensions of stress, while the OES assessed dimensions of organizational effectiveness. Data collection was conducted over a specific period, ensuring sufficient time for participants to respond. The collected data were analyzed using statistical techniques such as descriptive statistics and correlation analysis to explore the relationship between occupational stress and organizational effectiveness dimensions. Additionally, subgroup analysis examined the influence of demographic variables, including age, gender, and management hierarchical level, on stress and organizational effectiveness. By employing validated instruments and random sampling, this research methodology aimed to provide reliable and generalizable findings regarding the relationship between occupational stress and organizational effectiveness in the IT sector.

The Occupational Stress Index given by Srivastava, A.K., and Singh, A.P., (1981) and The Organizational Effectiveness Scale, Dr A k Srivastava and Dr R Banerjia, were administered to employees of IT sector. The response from the paired questionnaire provided the primary data for analysis. The Occupational Stress Index gave the score for the independent variable of Occupational Stress whereas The Organizational Effectiveness Scale gave the score for the dependent variable of Organizational Effectiveness and its eight dimensions. The data was subjected to analysis using MS Excel 2010 and SPSS 16.

Data on the levels of stress experienced by 112 subordinates were gathered using the Occupational Stress Index developed by Srivastava, A.K., and Singh, A.P., in 1981. There are 46 things on the scale, each of which is graded on a five-point scale. 28 of the 46 elements are "True - Keyed," while the final 18 are "False - Keyed." The components that make up the several sub-scales of the Occupational Stress Index (O.S.I.) are listed in Table 1 below.

No.	Sub- Scales (Occupational Stress)	Serial Number of the Items in the Schedule
1	Role overload	1,13,25,,36,44,46
2	Role ambiguity	2,14*,26,37
3	Role conflict	3,15*,27,38*,45
4	Unreasonable Group & Political Pressure	4,16,28,39
5	Responsibility for Persons	5,17,29,
6	Under participation	6*,18*,30*,40*
7	Powerlessness	7*,19*,31*
8	Poor peer relations	8*,20*,32*,41*
9	Intrinsic Impoverishment	9,21*,33*,42
10	Low Status	10*,22*,34
11	Strenuous Working Condition	12,24,35,43*
12	Unprofitability	11,23
	False* Keyed items	

Table 1 - Items of various sub-scales of O.S.I.

Organizational Effectiveness Scale (O.E. S.)

The Organizational Effectiveness Scale, (Dr A k Srivastava and Dr R Banerjia), consists of 56 items which measure the eight dimensions of Organizational Effectiveness. Following eight dimensions of organizational effectiveness can be analyzed:

- efficient organizational system (measured by item 1,9,16,17,25,33,41,49)
- congenial organizational climate (measured by item 7,8,11,15,23,31,39)
- organizational efficiency (measured by item 4,12,20,28,30,32,44)
- dynamism and adaptability(measured by item 6,14,22,38,42,46,56)
- interpersonal harmony(measured by item 3,19,27,35,51,55)

- efficient leadership(measured by item 2,10,18,26,31,48,50,54)
- high morale (measured by item 5,24,43,45,47,53)
- job satisfaction and commitment (measured by item13,21,29,36,37,40,52)

To ascertain the extent of consistency of the resources on the Organizational Effectiveness Scale, split half reliability index by odd even method on a sample of 300 employees, and retest reliability index on a sample of 100 employees, with a gap of 15 days , were worked out for the scale as a whole. The following Table 4 records the obtained reliability indices:

Sub Scales of O. E. S.	Split half reliability index (N=300)	Retest Reliability Index (N=100)
1. efficient organizational system	.857	.914
2. congenial organizational climate	.882	.899
3. organizational efficiency	.895	.952
4. dynamism and adaptability	.850	.923
5. interpersonal harmony	.863	.943
6. efficient leadership	.816	.907
7. high morale	.916	.947
8. job satisfaction and commitment	.876	.954
9. Whole Scale	.843	.935

Table 2: Reliability Indices of O.E. S.

All coefficient values are significant at 0.01 level

The concurrent validity of the O.E.S. was tested by administering it alongside the measure of organizational effectiveness developed by C. N. Daftuar (1984) on a sample of 102 employees. The coefficient of correlation between the scores on two was found to be .697 which indicates the high validity of the present measures of organizational effectiveness.

Data Analysis

S.No	Description	Value
1.	Sample Size of employees surveyed	112
2.	No. of male employees	67
3.	No. of female employees	45
4.	Number of employees in the 20-30 years age group	30
5.	Number of employees s in the 30-40 years age group	36
6.	Number of employees s in the 40-50 years age group	26
7.	Number of employees s in the age greater than 50 years	20
8.	Number of employees from Top Management	26
9.	Number of employees from Middle Management	25
10.	Number of employees from Lower Management	61

Table 3 : Sample Statistics

The sample consisted of a total of 112 employees, according to the survey results. Among them, 67 of the workers were men and 45 were women. The employees' ages were distributed as follows: Twenty employees were over the age of 50, 30 employees were in the 20–30 age group, 36 employees were in the 30–40 age group, 26 employees were in the 40–50 age group, and 36 employees were in the 20–30 age group. There were 26 personnel from the top management, 25 from middle management, and 61 from lower management, in terms of the management hierarchy.

These demographic details shed light on the make-up of the sample under study. While the age distribution reveals a disproportionately higher proportion of workers in the age brackets of 30–40 and 40–50 years, the gender distribution shows a higher representation of male employees. There are more personnel in the lower management group, according to the distribution across management levels.

These demographic variables may have an impact on how the sample members perceive organisational effectiveness and work-related stress. To fully comprehend the results, it will be crucial to take these factors into account while analysing the association between organisational effectiveness aspects and occupational stress.

Hypothesis Testing

The relationship between workplace stress, organisational effectiveness, and its aspects was investigated using statistical analysis. Pearson's correlation analysis was performed to look into the connection between organisational effectiveness metrics and workplace stress. This study establishes both the strength and the direction of the relationship between these variables. The relationship between organisational effectiveness, occupational stress, and its characteristics was further examined using regression analysis. The research of how much changes in organisational performance and its specific components are predicted by occupational stress is made possible by regression analysis. We looked for any significant correlations and regression coefficients using these statistical methods that could help us understand the nature and extent of the relationships we were researching. These investigations allow for a methodical and in-depth evaluation of the suggested relationships between organisational success, occupational stress, and its components, assisting in validating or refuting the study hypotheses and expanding our knowledge of the topic.

H₀₁: There is no significant relationship between Occupational Stress and Organizational effectiveness.

		Occupational Stress	Org.effect
Occupational Stress	Pearson Correlation	1	-.437**
	Sig. (2-tailed)		.000
	N	112	112
Organizational effect.	Pearson Correlation	-.437**	1
	Sig. (2-tailed)	.000	
	N	112	112

** . The significance level for correlation is 0.01 (2-tailed).

Table 4: Correlations

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437a	.191	.184	45.529
a. Predictors: (Constant), Stress				

Table 5: Model Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53897.175	1	53897.175	26.001	.000a
	Residual	228021.387	110	2072.922		
	Total	281918.562	111			
a. Predictors: (Constant), Occupational Stress						
b. Dependent Variable: Organizational effectiveness						

Table 6: ANOVA

Pearson's coefficient of correlation yielded a strong negative correlation of -.437. The results of correlation and regression analysis are as shown in Table 4, 5 and 6. This means as stress increases Organizational Effectiveness comes down. When employees are overtly stressed they are unable to give their best. If the stress increases employees try to absent them from work, and under extreme conditions, they may even quit their job. Stressed employees will be demotivated and will affect others also negatively. High stress leads to disengagement from job and is detrimental to the culture of the organization. All these factors are collectively responsible for a fall in Organizational effectiveness.

The overall analysis shows that the null hypothesis i.e. There is no significant relationship between Occupational Stress and Organizational effectiveness is rejected.

Dimensions of Organizational effectiveness	Dimensions of organisational effectiveness and Occupational Stress: Pearson's Correlation Coefficient
1. Efficient Organizational System	-.385**
2. Congenial Organizational Climate	-.422**
3. Organizational Efficiency	-.438**
4. Dynamism And Adaptability	-.354**

5. Interpersonal Harmony	-.410**
6. Efficient Leadership	-.534**
7. High Morale	-.244**
8. Job Satisfaction And Commitment	-.364**

** - Correlation is significant at the 0.01 level (2-tailed).

Table 7: Pearson’s Correlation coefficient between Dimensions of Stress and Employee Engagement

The eight dimensions of Organizational effectiveness show a significant negative correlation with stress. The Person’s correlation coefficient of stress and the eight dimensions of Organizational Effectiveness are summarized in Table 7. Stress impacts all aspects of organizational outcome in a damaging manner.

H02: There is no significant difference in Occupational Stress across the levels of management Hierarchy.

A subjective cognition is job stress (Ivancevich et al., 1982). Different workers in the same workplace may experience varying amounts of occupational stress. People with varied personal traits have a tendency to perceive different amounts of job stress within the same task context, which may be one explanation for this occurrence. The current study primarily focuses on management hierarchy to evaluate the impact on organisational success and perceived occupational stress.

To study the variance of Occupational Stress and Organizational Effectiveness with management hierarchy One Way ANOVA is used. As reflected in Table 8 out of 112 employees surveyed 26, were from Top management and 25 were from Middle management and 61 from Lower management represented by 1,2 3 respectively in the table 8. The F values of Occupational Stress with Management hierarchy was 8.36 at 0.01 level of significant, which is more that tabulated value hence null hypothesis H02 is rejected. The F values for variance in organizational effectiveness with Management hierarchy is more that tabulated value hence null hypothesis H05 is rejected (7.23) at 0.01 level of significant). The same is depicted in Fig 1 below:

		N	Mean	Std. Deviation
Stress	1	26	153.62	17.128
	2	25	135.44	15.801
	3	61	120.90	27.896
	Total	112	132.14	24.401
Organizational Effectiveness	1	26	186.46	35.733
	2	25	201.04	30.835
	3	61	217.87	60.275
	Total	112	202.94	50.396

Table 8: Mean and SD of Stress and Organizational Effectiveness with respect to the Management hierarchy

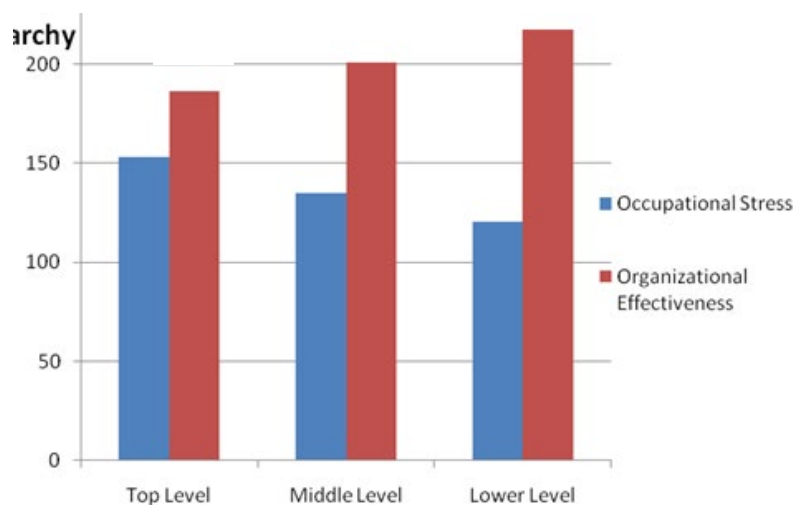


Fig. No. 1- Variance of Mean Occupational Stress and Organisational Effectiveness Scores with Management Hierarchy

The occupational Stress shows an increasing trend as we go higher in the management hierarchy. A reverse trend is evident in organizational effectiveness across management hierarchy.

Limitations and Future Scope of the research

This study is restricted to IT sector. To increase the generalizability and universality of findings, studies across other sectors and geographical regions must be made. This is one snap shot study on the employees of IT sector. Studies conducted periodically will be required to establish the impact of long term stress on the industry. The study restricts itself to the negative impacts of stress, future research can be carried out to explore positive impact of stress if any. Future research can look into specific personal traits, such gender roles and emotional intelligence, that may alter how people experience job stress. Previous research has concentrated on the effects of job stress. Using occupational stress as a predictor of people's behaviour when quitting their jobs and their absence rate is an additional field of research. Although a few international organisations have made the connection between stress and absence, there hasn't been much actual academic study to back this association.

Conclusion

Unhealthy workplaces can cause significant financial and human costs. In addition to the direct costs brought on by personnel turnover, sickness absenteeism, and other variables, there are indirect costs as well. The first is "presenteeism," which refers to the costs to organisations incurred by individuals who report for duty but are so upset about their jobs or another aspect of their organizational environment or climate that they make little or no contribution at work. An illness like unwelcome workplace stress may have a negative impact on the firm. The results of the study show a significant relationship between workplace stress and organisational effectiveness.

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