THE EFFECT OF WORK STRESS TO EMPLOYEE PERFORMANCE AT BANK RAKYAT INDONESIA IN MANADO BRANCH

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ABSTRACT

Stress is a common element in any kind of job and people face it in almost every walk of life. In the banking sector particularly, higher management do not realize the impact of stress on employee performance which ultimately results in critical managerial dilemmas. Work overload & time pressure to complete too much work in short span of time is big source of stress which decrease the performance of employees. The purpose of this research are to analyze the influence of work stress on employee performance at Bank Rakyat Indonesia in Manado Branch, North Sulawesi and to identify the most significant variable of work stress that influence employee performance. Work stress and employee performance are the supporting theories for this research. The population are all employees and customers of BRI Manado Branch with sample consists of 100 respondents are determined. Results and conclusions show that work stress significantly affects employee performance and communication has the most significant influence to employee performance.

Keywords: work stress, employee performance

INTRODUCTION

Research Background

Stress is a common element in any kind of job and people face it in almost every walk of life. In the banking sector particularly, higher management do not realize the impact of stress on employee performance which ultimately results in critical managerial dilemmas as Subha and shakeel (2009) described that higher level of stress existed with no managerial concern for solution consequently lowering the employee performance, staking organizational reputation and loss of skilled employees, these situations call for immediate concern from organization management for employing effective stress management practices to increase employee satisfaction and overall employee performance. Work overload & time pressure to complete too much work in short span of time is big source of stress which decrease the performance of employees as Babak et al.(2010) studied that with excessive pressures, the job demands cannot be met, relaxation turns to exhaustion and a sense of satisfaction replaces with the feelings of stress, motivation sheds away and the workers start losing interest in the work and hence performance chart shows a negative trend.

In this era of globalization, development and improvement of technology, science, society, economy and education and as competition of economic players become harder, companies try to maintain and improve their conditions in order to protect the performance. Companies try to push their employees working to fulfil company needs. They will give all the way to increase the performance of the employees. Relating of development and improvement of company output, employee performance is one of the factors that influence the output on the company itself. The company can survive in the competition with the rivals if they can keep the performance of their employee. The employee performance itself can change because of the mood or stress. Stress is a common element in any kinds of job and people face it in almost every walk of life. Stress can be as a pressure from social problems, home problems, children problems, or it can also come from the working place.

Bank is one of the working places, which has a high stress level for employees because they must face high volume of customer in a day. Not only customer, employee must also face many tasks after the bank closes. Sometimes bank employees finish their work at midnight, and in the banking sector particularly higher management do not realize the impact of stress on employee performance.

The performance of individuals also decreases when stress is caused by inability of individual to maintain a reasonable balance between family life and work life as they have to spend a lot of time in working. That inability to maintain a reasonable balance between family life and work life results in work to family conflict that in turn causes stress and ultimately decreases the employee performance. The nature of job in banking sector is very risky. There are operational risks involved in transactions, which puts pressure on employees to avoid wrong entries. Work overload occurs when job demand exceeds human limits and people have to do too much, in too little time, with too few resources.

When overload is a chronic condition, not an occasional emergency there is little opportunity to recover, rest, and restore balance. This relates to not only the amount of work, but also the capacity to do work. It is both quantitative and qualitative. Many hours of a well-defined job in full concentration may do more good to your mental state than pure idleness. The causes associated with work overload, can be used as ways to recognize and reverse the effects. This research explores the affect of work overload on the task related performance and customer orientation of employees in Bank Rakyat Indonesia in Manado Branch, North Sulawesi. Employee dissatisfaction in consequence generates an array of tribulations, which unswervingly affect the organization's outcome, and in return the society.

Research Problem

Based on the research background, the problems can be formulated as follows:
1. Does work stress influence employee performance at Bank Rakyat Indonesia Manado?
2. Which factor significantly influences employee performance at Bank Rakyat Indonesia Manado?

Research Objectives

The purposes of this research are;
1. To analyze the influence of work stress on employee performance at Bank Rakyat Indonesia Manado
2. To identify the most significant variable of work stress that influence employee performance

Research Benefits

The benefits of this research are follows:
1. To develop the knowledge especially in work stress and can form graduates with competence in accordance with the demands of professional world of work.
2. To increase the productivity of labor effect on employee performance, improve profit and can the loyalty.
3. To increase the knowledge about the effects of work stress to employee performance and can be a source of information for researchers who want to develop their knowledge.

THEORETICAL FRAMEWORK

Work Stress

According to Meneze (2005) in Imtiaz and Ahmad (2009), job stress is considered rising and has become challenge for the employer and because high level stress is result in low productivity, increased, absenteeism and collection to other employee problem like alcoholism, drug abuse, hypertension and host of cardiovascular problems. Further, Robbins (2006) in Deshpande (2012) stated that work stress is a condition that occurs from the interaction between people and jobs and characterized by changes in humans that force them to deviate from their normal function.
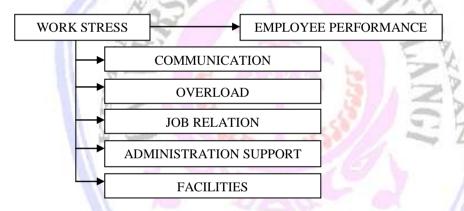
Employee Performance

According to Mathis and Jackson (2009) in Tinofirei (2011), employee performance is associated with quantity of output, quality of output, timeliness of output, presence / attendance on the job, efficiency of the work completed [and] effectiveness of work completed. According to Corvellec (1995) in Hayward (2005), employee performance is a relative concept defined in terms of some recent employing a complex set of time-based measurements of generating future result. According to Ibrahim (2004) in Awadh and Ismal (2012), employee performance is an important activity that provide both the goals and methods to achieve the organizational goals and also provide the achievement level in term of output.

Previous Research

Shahid et al. (2010) explored the stress related problems of bankers and examine the relationship between stress and performance, and that all the components of stress cause great stress in bankers and then decrease their performance. Rehman et al. (2012) examined the impact of job stress on employee job satisfaction and resulted stress is positively related to employee's job satisfaction. Ali et al. (2011) examined the nature of stress that many employees face and also evaluates its consequent effect upon job performance, and revealed that stress has a positive impact upon the performance of employees, that is to say, performance is better under stress situations. Imtiaz and Ahmad (2009) showed that stress statistically significant influence employee productivity, performance and turnover.

Figure 1 Conceptual Framework

Research Hypothesis

1. Ho: Work stress influence employees performance
2. Ha: Work stress had no effect employees performance

RESEARCH METHOD

Sources of Data

Based on the source, the data in this study can be divided into two types; they are primary data and secondary data. Primary data is data collected and processed by the researcher directly from respondents. Secondary data is data that have already been gathered by researcher from related books, journals, articles in magazines or newspaper, internet and other information available from any source which are useful for this research.

Population and Sample

Population is a collection of similar individuals that are in certain areas and at certain the time as well. According to Sekaran (2003), population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. In this research, the population are all employees and customers of BRI Manado.

Sampling is the process of selecting a sufficient number of elements from the population, so that by studying the sample and understanding the properties or the characteristics would make it possible for us to generalize such properties or characteristics to the population elements (Sekaran, 2003). A technique for sampling in this research is random sampling. Random sampling is a method involving an unpredictable component. Random sampling can also refer to taking a number of independent observations from the same probability distribution, without involving any real population. In this research a sample that consist of 100 respondents are determined.

Operational Definition and Measurement of Research Variables

The definition of research variables are as follows:
1. Work stress is the harmful physical and emotional responses that occur when the requirements of a job do not match the capabilities, resources, or needs of the worker.
2. Communication refers to a process by which people assign and convey meaning in an attempt to create shared understanding.
3. Overload refers to the demands of work beyond the limits of one's ability to affect the psychological (mind and soul) employees of a firm.
4. Job relation is the relationships between superiors and subordinates or between fellow employees in performing or working on a task.
5. Administration support is to identify whether the pay (allowance or bonus) can effect on productivity of employees.
6. Facilities refer to supporting work to facilitate or can even help employees in completing the work presented.

Data Analysis Technique

Reliability and Validity Test

Validity test is used to measure whether a legal or valid the questionnaire. A questionnaire said to be valid if the questions in the questionnaire able to reveal something that will be measured by the questionnaire. Reliability is defined as the extent to which a questionnaire, test, observation or any measurement procedure produces the same results on repeated trials. In short, it is the stability or consistency of scores over time or across raters.

Multiple Regression Analysis Model

Regression analysis is used to determine the effect of independent variables on the dependent variable. As the number of independent variables or two variables X then its regression is used multiple linear regression.

$$\text{Formula: } Y = a + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 e$$

Where:

Y	= Employee Performance
X1	= Overload
X2	= Job Relation
X3	= Administration Support
X4	= Communication
X5	= Facilities
α	= Constant
β	= Regression Coefficients
e	= Error

RESULT AND DISCUSSION

Result

The value of Cronbach's Alpha is 0.831. It can be concluded that the questionnaires used in this research are reliable. The validity test results also show that all questionnaires for research variables are valid.

Table 1 Results of Coefficient Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.963[a]	.928	.924	.25056

a. Predictors: (Constant), Facilities, Job Relationship, Overload, Administrasi Support, Communication

Source: Output SPSS V.18

The value of coefficient of Adjt R Square is 0.924 meaning employee performance can be explained by overload, job relation, administration support, communication and facilities as much as 92.4% while the remaining 7.6% is the contribution of other variables not included in this study. In other words, overload, job relation, administration support, communication and facilities are good enough to explain employee performance.

Table 2 F-Test

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	76.099	5	15.220	242.422	.000[a]
	Residual	5.901	94	.063		
	Total	82.000	99			

a. Predictors: (Constant), Facilities, Job Relationship, Overload, Administrasi Support, Communication

b. Dependent Variable: Employee Performance

Source: Output SPSS V.18

The significance value is 0.000 <0.05 thus Ho is rejected. It means work stress (overload, job relation, administration support, communication and facilities) simultaneously influence employee performance.

Table 3 T-Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.082	.129		.632	.529
	Overload	.185	.063	.206	2.942	.004
	Job Relationship	.200	.071	.194	2.833	.006
	Administration Support	.167	.070	.168	2.403	.018
	Communication	.322	.064	.357	5.024	.000
	Facilities	.102	.076	.090	1.340	.183

a. Dependent Variable: Employee Performance

Source: Output SPSS V.18

Furthermore, it can be seen from table 3, the effect of work stress (overload, job relation, administration support, communication and facilities) to employee performance by looking at the t value and significance value of each variable. The classical assumption tests show that the data is normally distributed (passed normality test), free from heterocedastisity and multicollinearity, and no autocorrelation.

Discussion

Overload

Tcount for variable Overload (X1) is 2.942 at a significance level of 0.004 with a regression coefficient β value for +0.185. Since the significance value 0.004 <0.05 then the Ho is rejected, meaning that the variable Overload (1) significantly affect employee performance (Y). This means that if the employee does not happen or work overload conditions beyond their capabilities as well as the excessive demands will impact on increasing employee performance, whereas in case of overload the employee's performance will decline because of the psychological influence.

Relationship Job Variables

Tcount for Relationship Job variables (X2) is 2.833 at a significance level of 0.006 with a regression coefficient β value for +0.200. Because the significance value 0.006 <0.05 then the Ho is rejected, it means the variable Job Relationship (X2) significantly affect employee performance (Y). This means that if the work environment created a good relationship between subordinates, superiors and other colleagues will have an impact on increasing employee performance, whereas when there is disharmony relationships between superiors, subordinates and co-workers then the performance of employees will decline as it can create a comfortable working atmosphere.

Administrative Support

Tcount for Administrative Support (X3) is 2.403 at a significance level of 0.018 with a regression coefficient β value for +0.167. Because the significance value 0.018 <0.05 then the Ho is rejected, it means the variable Administrative Support (X3) significantly affect employee performance (Y). This means that the better the bonus (money, jalan2) and employee benefits obtained then the performance will also increase, and vice versa if applicable bonus (money, jalan2) and the benefits obtained are not as expected then it will affect the quality of the employees.

Communication

The variable t count for Communication (X4) is 5.024 at a significance level of 0.000 with a regression coefficient β value for +0.322. Because the significance value 0.000 <0.05 then the Ho is rejected, meaning that the variable Communication (X4) significantly affect employee performance (Y). The Meaning good communication among employees can create a comfortable office atmosphere so as to improve employee performance, the opposite is true if there is no communication between the employees of the office atmosphere will be uncomfortable and therefore contributes to reduced performance of the employees.

Facilities

The variable t count for Facilities (X5) is 1.340 at a significance level of 0.183 with a regression coefficient β value of +0.102. Because the significance value 0.183> 0.05 then Ho is rejected it means variable fails Facilities (X5) does not significantly affect employee performance (Y). This means that the facility does not significantly affect the supporting work terjadap improved employee performance. Among the five independent variables which are indicators of work stress (Overload, Job Relationship, Administrative Support, Communication and Facilities) that most significantly affect Employee Communication performance is due to the weight or value of the highest regression coefficient is 0.322, the order of the two Job Relationship (0.200), thirrd Overload with weights or regression coefficient of 0.185, rank-4 Administrative Support (0.167).

CONCLUSION AND RECOMMENDATION

Conclusion

1. Based on the results obtained by using multiple regression analysis, it shows that the two variables have a positive correlation between the independent variables to the dependent. Based on the magnitude of R^2 for 0.924 indicating that the variable (Y) can be explained by the indicator at 92.4%, while the remaining 7.6% is a good result to explain the employee performance at BRI Manado Branch.
2. Based on the F-test, the value of F_{count} of 242.4, with a significant value of 0.000 <0.05, it can be concluded Ho rejected. This means that work stress significantly affect the employee performance (Y).
3. Based on the results of t-test, Among the five independent variables which are the indicators of work stress (Overload, Job Relation, Administrative Support, Communication and Facilities) that have the most significantly affect is employee communication performance, which is due to the weight or value of the highest regression coefficient namely 0.322, second is job relationship (0.200), third overload with weights or regression coefficient of 0.185, and fourth administrative support (0.167).

Recommendation

1. Because of work stress affects employee performance, then it is advisable that BRI should give more attention to things that are related with the welfare of the employees to produce good work.
2. By looking at the above results, the most influential indicator of the performance of employees is communication; BRI should be able to give better practice in good communication between superiors and subordinates, and among fellow employees.

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