



Job Stress and Employee Performance in the Sri Lankan Public Banking Sector: A Study of the Panadura Divisional Secretariat

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Abstract

This study investigates the impact of job stress on employee job performance in public sector banks in Sri Lanka, with specific reference to the Panadura Divisional Secretariat. Drawing on the transactional theory of stress and the person environment fit model, the study examines four dimensions of job stress, namely tension in job roles, work overload, time pressure, and difficulty in balancing work and family responsibilities. A quantitative research design was employed, and data were collected from 120 bank employees using a structured questionnaire adapted from validated scales in previous studies. The reliability and validity of the instruments were confirmed, and multiple linear regression analysis was conducted using SPSS. The findings reveal that job stress has a significant effect on employee job performance, with the selected stress dimensions explaining 66.2 percent of the variation in performance. Tension in job roles, work overload, and time pressure demonstrate statistically significant positive effects on job performance, while difficulty in balancing work and family responsibilities does not show a significant impact. These results suggest that certain job stressors may enhance employee performance when they are effectively managed within structured organizational environments. This study contributes empirical evidence to the limited literature on job stress and employee performance in the Sri Lankan public banking sector and provides practical implications for human resource managers in designing effective stress management strategies.

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1. Introduction

Job stress has become a widespread issue in modern organizations, especially in-service industries such as banking. Employees in these settings often work under intense pressure because of demanding customers, strict regulations, and rapidly changing technology. International research shows that excessive stress affects both employee well-being and organizational productivity (Stacciarini and Troccoli, 2004; Divakar, 2015) ^[28, 7]. In banking, these pressures are stronger because financial services require accuracy, confidentiality and continuous attention to customer needs, which increases the likelihood of stress among employees (Sathye, 1999; Liu, Siu and Shi, 2009) ^[26, 18].

The public banking sector in Sri Lanka has undergone major changes following economic liberalization. The entry of private and foreign banks introduced stronger competition and encouraged new technologies and service practices. Public banks were required to adjust to these developments while maintaining their traditional responsibilities. As a result, employees in public banks now face increased workloads, stricter performance expectations, and concerns about job stability.

These conditions contribute to rising stress levels and create challenges in meeting job requirements effectively (Khan, Khan and Khan, 2020) ^[14].

Previous studies have identified several major causes of job stress among bankers. These include unclear job expectations, conflicting responsibilities, excessive workloads, time pressure created by deadlines, and difficulties in balancing work responsibilities with family responsibilities (Fogarty *et al.*, 2000; Posig and Kickul, 2004) ^[9, 22]. Research conducted in other countries consistently reports that high levels of stress are linked to lower job performance (Ahmed and Ramzan, 2013; Mahmood and Hanif, 2018) ^[2, 19]. However, there is limited evidence related to these issues in the context of Sri Lankan public banks, particularly at the divisional level.

Because employees in public banks play an important role in maintaining financial stability, customer trust and smooth banking operations, understanding how stress affects their performance is essential. This study therefore investigates the influence of different sources of job stress on the performance of employees working in public banks in the Panadura Divisional Secretariat. The study is guided by established theoretical perspectives, including the transactional theory of stress and the person and environment fit model, in order to explain how employees respond to stress factors in their work setting.

The findings aim to contribute to the existing body of knowledge by providing empirical evidence from the Sri Lankan public banking sector. The study also offers practical implications for human resource managers. These include the design of stress reduction programmes, supportive management practices and workplace improvements that can strengthen employee performance and overall organizational effectiveness.

2. Literature Review

2.1. Concept of Job Stress

Job stress is widely recognized as a major concern in the modern workplace. It arises when job demands exceed an individual's capacity to cope, leading to psychological and physiological strain (Stacciarini and Troccoli, 2004) ^[28]. The World Health Organization defines work-related stress as a response to pressures that do not match employees' knowledge and abilities, which challenges their ability to cope effectively (Divakar, 2015) ^[7]. Studies note that excessive stress contributes to absenteeism, turnover, reduced productivity and health-related problems (Health and Safety Executive, 2018; Cox, Griffiths and Gonzalez, 2000) ^[11, 6]. In the banking sector, high customer expectations and complex operations make employees particularly vulnerable to stress (Sathye, 1999) ^[26].

3. Factors Contributing to Job Stress

3.1. Tension in Job Role

Tension in job role consists mainly of role ambiguity and role conflict. Role ambiguity occurs when employees lack clarity about their tasks and responsibilities, which negatively affects performance (June and Mahmood, 2011) ^[12]. Role conflict arises when expectations from different sources are incompatible (Robbins and Judge, 2008) ^[24]. Studies show mixed effects of role conflict on performance; while some find that conflict is non-significant (Ahmed and Ibrahim,

2018) ^[1], others report negative impacts depending on the job context.

3.2. Work Overload

Work overload refers to situations where job demands exceed employees' ability to complete tasks effectively. Overload is strongly associated with emotional exhaustion, reduced efficiency and poor job outcomes (Cooper *et al.*, 2001; Moore, 2000) ^[5, 20]. In banking, peak seasons and heavy customer volumes make overload a common stressor (Liu, Siu and Shi, 2009) ^[18]. Research also shows that job stress mediates the relationship between overload and performance, indicating that overload harms performance directly and indirectly (Brown and Jackson, 2017) ^[3].

3.3. Time Pressure

Time pressure emerges when employees must complete tasks within strict deadlines or limited time resources. Fay, Sonnentag and Frese (2001) ^[8] define it as the need to exert extra effort to meet time-bound goals. Time pressure is a frequent concern among bankers due to daily deadlines, regulatory reporting and customer demands. Studies confirm that sustained time pressure reduces job satisfaction and performance (Ramayah *et al.*, 2004; Sathye, 1999) ^[23, 26].

3.4. Difficulty Balancing Work and Family

Work and family responsibilities often compete, creating strain when employees cannot meet expectations in both areas. Research shows that conflict between work and family roles is negatively linked with job performance, job satisfaction and psychological well-being (Kinnunen *et al.*, 2006; Noor, 2003) ^[16, 21]. Evidence from meta-analysis suggests that higher work-family conflict is associated with reduced self-rated and overall performance (Gilboa *et al.*, 2008) ^[10].

4. Job Performance

Job performance refers to employees' ability to achieve work goals and meet organizational standards (Chi, Yeh and Chiou, 2008) ^[4]. Performance is central to organizational success, especially in banking where accuracy, efficiency and customer service are crucial. Multiple studies show that performance is influenced by employee motivation, leadership, training, compensation and stress (Khan, Ahmed and Ahmad, 2021) ^[13]. In financial institutions, delays in reporting and customer handling have significant operational consequences, making performance measurement essential (Liu and Chen, 2021) ^[17].

The relationship between job stress and performance has been widely explored. Most research finds a negative association, indicating that as stress increases, performance declines (Ahmed and Ramzan, 2013; Mahmood and Hanif, 2018) ^[2, 19]. Key stressors such as work overload, role ambiguity and job insecurity are identified as major contributors to performance reduction. Some scholars note that a moderate level of stress may initially enhance performance by motivating employees; however, excessive stress leads to rapid declines (Singh, 2001) ^[27]. Studies in South Asian banking contexts confirm that severe stress harms employee productivity, customer handling and service efficiency (Khan and Shahzad, 2021; Sarwar and Khalid, 2016) ^[15, 25].

5. Methodology

This study employed a quantitative research approach to examine how job stress influences employee job performance in public banks within the Panadura Divisional Secretariat. The positivist philosophy guided the study, as it emphasizes objective measurement, hypothesis testing, and statistical analysis.

The target population included employees working in public banks in the Panadura Division. A sample of 120 participants was selected through simple random sampling to ensure unbiased representation. Primary data were collected using a structured questionnaire that measured four dimensions of job stress in job roles, work overload, time pressure, and difficulties managing work and family responsibilities together with employee job performance. All items were adapted from validated instruments in previous literature and assessed using a five-point Likert scale.

The reliability of the scales was tested using Cronbach's Alpha, and all variables recorded coefficients above 0.70, demonstrating strong internal consistency. Validity was

confirmed through expert review and alignment with prior studies. Normality was checked using skewness and kurtosis values, while multicollinearity was assessed to ensure that independent variables did not show excessive correlation.

Data were analyzed using SPSS. Descriptive statistics were used to summarize the characteristics of respondents, while multiple linear regression analysis was employed to test the impact of each job stress dimension on employee job performance. Statistical significance was evaluated at the 5 percent level.

6. Analysis

The purpose of this analysis is to evaluate how the four main forms of job stress influence the job performance of employees in public banks in the Panadura Divisional Secretariat. The four forms of job stress are tension in job roles, work overload, time pressure, and difficulty in balancing work and family responsibilities. Multiple linear regression was used to examine both the combined and individual effects of these variables on job performance.

Table 1: Model Summary of the Regression Analysis

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.813	.662	.651	.24837

Source: Compiled by the Author based on the analyzed data

The model summary shows that the four predictors together explain 66.2 percent of the variation in employee job performance. This indicates strong explanatory power. The R value of .813 reflects a strong positive relationship between

the set of predictors and job performance. The adjusted R square value confirms that the model remains strong even after considering the sample size and number of variables.

Table 2: ANOVA Results of the Regression Model

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.103	4	3.026	49.045	.000
Residual	6.179	115	.054		
Total	18.282	119			

Source: Compiled by the Author based on the analyzed data

The ANOVA results confirm that the overall regression model is statistically significant. The F value of 49.045 and significance level of .000 indicate that the model provides a

meaningful explanation of job performance and that the probability of the results occurring by chance is extremely low.

Table 3: Multiple Regression Analysis Predicting

Predictor	B	Standard Error	Beta	t	Sig.
Constant	.608	.199	—	3.065	.003
Tension in job roles	.246	.059	.302	4.179	.000
Work overload	.180	.041	.330	4.358	.000
Time pressure	.137	.045	.225	3.025	.003
Work and family difficulty	.066	.035	.145	1.876	.063

Source: Compiled by the Author based on the analyzed data

The findings indicate that job stress plays a major role in determining job performance among public bank employees. The high R square value shows that the four selected variables together have a strong impact on performance.

Tension in job roles has a significant positive relationship with job performance. The results show that when employees understand their responsibilities clearly, even if the work is challenging, they tend to perform better. Clear expectations often help employees focus and direct their efforts more effectively.

Work overload also shows a significant positive effect on job performance. Although overload is often seen as harmful, in

this context it appears that employees respond to heavy workloads by working more efficiently. This may be due to the disciplined and target driven nature of banking work where employees are accustomed to high activity levels.

Time pressure shows a significant positive effect as well. Employees in banking often work with many deadlines, such as daily transaction cut off times and reporting requirements. The analysis suggests that time pressure motivates them to stay focused, manage tasks quickly and maintain performance at a higher level.

Difficulty in balancing work and family responsibilities shows a positive direction but is not statistically significant.

This means that although some employees experience strain when balancing personal and work life, this challenge does not have a strong or direct influence on their job performance. The reason may be that employees maintain performance levels out of professional responsibility or due to organizational support systems that help them manage personal difficulties.

Overall, the analysis shows that tension in job roles, work overload and time pressure are significant predictors of job performance, while work and family difficulty does not significantly predict performance. The model is strong, reliable and statistically meaningful, proving that job stress is an important factor that influences employee performance in public banks in the Panadura Division.

4. Conclusion

This study examined the impact of job stress on employee job performance in public banks within the Panadura Divisional Secretariat, with particular emphasis on tension in job roles, work overload, time pressure, and difficulties in balancing work and family responsibilities. Guided by established theoretical frameworks and supported by empirical analysis, the findings provide valuable insights into the nature of job stress in the Sri Lankan public banking sector.

The results of the multiple regression analysis indicate that job stress is a significant determinant of employee job performance, with the selected stress factors jointly explaining a substantial proportion of the variation in performance. Specifically, tension in job roles, work overload, and time pressure were found to have statistically significant effects on job performance. These findings suggest that when role expectations are clearly defined and work demands are structured and manageable, employees are able to maintain focus and perform effectively, even under challenging conditions.

In contrast, difficulty in balancing work and family responsibilities did not demonstrate a statistically significant impact on job performance. This implies that although employees may experience personal strain, such challenges do not directly translate into reduced performance, possibly due to professional commitment, organizational support mechanisms, or adaptive coping strategies adopted by employees.

Overall, the findings contribute empirical evidence to the limited body of literature on job stress and employee performance in Sri Lankan public banks, particularly at the divisional level. From a practical perspective, the study highlights the importance of maintaining role clarity, reasonable workload distribution, and effective time management practices. Bank management should focus on implementing supportive human resource policies and stress management programs that prevent excessive stress while sustaining employee motivation and performance.

In conclusion, job stress remains a critical factor influencing employee job performance in the public banking sector. Effective stress management, rather than the complete elimination of stress, is essential for enhancing employee productivity, ensuring well-being, and promoting the long-term efficiency and stability of public banks in Sri Lanka.

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