



EXPLORING THE IMPACT OF STRESS MANAGEMENT AND MOTIVATION ON THE PERFORMANCE OF COMMERCIAL BANKS IN BANGLADESH

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Article DOI: <https://doi.org/10.36713/epra13941>

DOI No: 10.36713/epra13941

ABSTRACT

This research study focused on the relationship between stress management and motivation on the performance of commercial banks in Bangladesh, with a specific focus on employees. The study investigates how the work environment within the banking sector influences stress levels among employees and the role played by motivation in shaping their dedication to their jobs and organizations. A random sample of 480 employees from diverse commercial banks in Bangladesh is utilized for data collection. The data analysis employs SPSS, multiple regression tests, and beta coefficients for hypothesis testing. The findings of the study reveal that both stress management and motivation have a positive and significant impact on banks' performance, indicating their close relation with employees' loyalty and dedication to the banking sector. This research underscores the importance of implementing effective stress management strategies and fostering motivation to enhance the overall performance of commercial banks in Bangladesh.

KEYWORDS: *Stress, Motivation, Performance, Commercial Bank.*

INTRODUCTION

In the dynamic and competitive landscape of the banking industry, the performance and success of commercial banks largely depend on the commitment and dedication of their employees. Within this context, the management of stress and the cultivation of motivation among employees have emerged as crucial factors influencing organizational outcomes. For the first time, Selye (1980: 6) coined the word "stress," describing it as "the particular reactions of the organism to stimulants that induce change." This research study aims to explore the relationship between stress management, motivation, and the performance of commercial banks in Bangladesh, with a specific emphasis on employees. The banking sector in Bangladesh has been witnessing significant growth and transformation over the years, resulting in heightened pressures and challenges for its workforce. The demanding work environment, characterized by long working hours, intense competition, and stringent targets, often leads to elevated stress levels among employees. Consequently, the impact of stress on employee performance. Subsequently, on overall organizational performance becomes a matter of paramount concern. Simultaneously, the role of motivation in shaping employee attitudes and behaviors cannot be understated (Z. Baltaş & A. Baltaş, 2006). Motivated employees exhibit higher levels of commitment to their job and organization,

leading to increased productivity, customer satisfaction, and overall performance for the banks. Understanding the interplay between stress and motivation in the context of commercial banks in Bangladesh is essential to develop effective strategies to enhance employee well-being and organizational success (Cücelolu, 1998). To address these research objectives, a random sample of 480 employees from diverse commercial banks in Bangladesh is engaged in this study. The participants are chosen to ensure representative data collection and provide valuable insights into the perceptions and experiences of employees across various banking institutions. Data analysis is conducted using advanced statistical tools, including SPSS, multiple regression tests, and beta coefficients for hypothesis testing. The findings of this research shed light on the pivotal roles played by stress management and motivation in influencing employee commitment and loyalty to the banking sector. The study reveals that effective stress management practices positively impact employee performance and, consequently, contribute to the overall performance of commercial banks. Moreover, the research demonstrates that a motivated workforce exhibits higher levels of dedication, resulting in enhanced organizational outcomes and customer satisfaction. The implications of this research are far-reaching, emphasizing the critical importance for commercial banks in Bangladesh to invest in stress management



strategies and foster a motivational work environment. By prioritizing employee well-being and motivation, banks can cultivate a workforce that is dedicated, resilient, and committed to achieving the organizational goals, ultimately leading to sustainable growth and competitive advantage in the banking industry.

This study serves as a valuable contribution to the existing body of knowledge on stress management, motivation, and their impact on the performance of commercial banks in Bangladesh. By illuminating the connections between these variables, the research offers valuable insights for policymakers, HR practitioners, and bank management to devise targeted interventions aimed at improving employee well-being and driving organizational success in this dynamic and competitive sector.

OBJECTIVES OF THE STUDY

- i. To analyze the impact of stress on organizational performance among the employees of commercial banks.
- ii. To analyze the impact of motivation on organizational performance among the employees of commercial banks.

PROBLEM STATEMENT

The commercial banking sector in Bangladesh operates in a challenging and dynamic environment, where the performance and success of banks rely heavily on the commitment and dedication of their employees. However, the sector faces significant challenges related to stress and motivation among its workforce. Moreover, maintaining a motivated workforce is essential for ensuring sustained organizational performance and achieving competitive advantages in the industry. Understanding the relationship between stress management, motivation, and their impact on the performance of commercial banks is crucial to devising effective strategies that enhance employee well-being and optimize organizational outcomes. Despite the significance of stress management and motivation in the banking sector, limited research has been conducted to explore their combined impact on organizational performance in the specific context of Bangladesh. Therefore, this study seeks to address this research gap by examining the interplay between stress management, motivation, and their collective influence on the performance of commercial banks in Bangladesh.

SIGNIFICANCE OF THE STUDY

This study provides a valuable addition to the existing literature and offers benefits for policymakers. Additionally, it will be advantageous for employees in the banking sector, as it provides insights into stress management at the workplace.

LITERATURE REVIEW

Stress

In the banking sector, higher management often lacks awareness about the impact of stress on employee performance. As Subha and Shakel (2009) highlighted, this lack of concern for stress-related issues results in lower employee performance, jeopardizing the organizational reputation and leading to the loss of skilled employees. Studies by Babak et al. (2010) reveal that work overload and time pressure significantly contribute to stress, ultimately lowering employee performance. The excessive pressures and unmet job demand can lead to exhaustion and a decline in job interest among employees.

Motivation

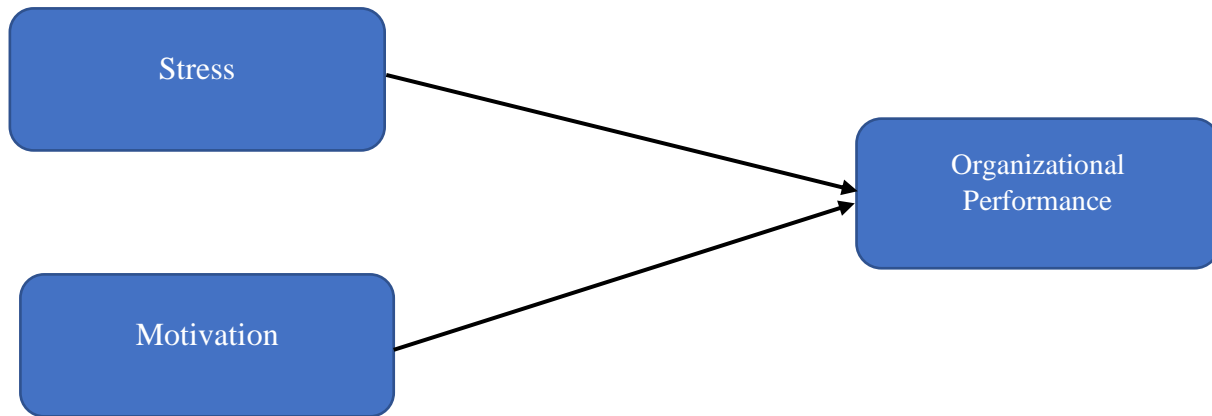
Emeka et al. (2015) found that all extrinsic influences positively impacted employee morale, leading to increased worker productivity. Attrams (2013) emphasized the significance of extrinsic influences, including monetary policy and good working relationships, in enhancing employee performance across both public and private sectors. Hong Tan and Waheed (2011), using the Herzberg two-factor theory in Malaysia's retail industry, concluded that hygiene factors, including compensation, business policies, and working conditions, played a more crucial role than intrinsic factors in motivating employees. William (2010) discovered that employees were motivated by extrinsic incentives, driving them to achieve high performance in their companies. Stella (2008) emphasized various factors, such as working conditions, work relationships, supervision, and job security, as essential contributors to employees' motivation.

Organizational Performance

Organizational performance is closely tied to organizational commitment, as high commitment levels contribute to enhanced performance. Researchers have classified organizational commitment into various dimensions to capture its multifaceted nature. Etzioni (1961) identified moral commitment, utilitarian commitment, and alienating commitment. O'Reilly and Chatman (1986) categorized it as adaptation commitment, identification commitment, and internalization commitment. Wiener (1982) distinguished instrumental commitment and normative-moral commitment, while Buchanan (1974) described identification, hugging, and loyalty commitment. Initially, Meyer and Allen (1984) classified organizational commitment into affective commitment and continuance commitment, later adding normative commitment as the third dimension (Allen & Meyer, 1990). Affective commitment reflects a strong personal bond and identification between employees and their employers. Employees with high affective commitment are motivated to stay with the company regardless of circumstances because they genuinely want to. On the other hand, continuance commitment is related to employees' awareness of the costs associated with leaving the organization.



Conceptual framework



HYPOTHESES OF THE STUDY

H1: Stress has significant negative impact on organizational performance among the employees of commercial banks in Bangladesh.

H2: Motivation has significant positive impact on organizational performance among the employees of commercial banks in Bangladesh.

METHODOLOGY

This study adopts a descriptive and quantitative research design and focuses on the employees working in the banking sector. The

total number of banking employees in Bangladesh, excluding those in Bangladesh banking, was approximately 175,027 as of 2017 ("Bangladesh Banking Sector: Number of Employees", 2019). The sample size for this study was 384, determined with a 5% margin of error using the table of Saunders et al. (2009). Data was collected through a questionnaire that was adapted and modified from Cohen et al. (1988), Tsigilis and Theodosiou (2003), and Alan and Meyer (1990). The collected data was analyzed using SPSS v22, employing various techniques such as reliability analysis, correlation, and regression analysis.

ANALYSIS AND RESULT

Table 1: Reliability Analysis

| Variable Name | Cronbach Score |
|---------------|----------------|
| Performance | .78 |
| Stress | .76 |
| Motivation | .74 |

In this study, the researcher used the Cronbach alpha as a measure of reliability to assess the consistency of the data for the variables being studied: Performance, stress, and motivation. According to Pallent (2005), a Cronbach alpha value of .70 or higher indicates

that the data is reliable. In this study, the Cronbach alpha values for Performance, stress, and motivation are all above .60, indicating high reliability for each of these variables.

Table 2: Demographic Analysis

| Age in Years | Percentage |
|--------------|------------|
| 26-35 | 36% |
| 36-45 | 42% |
| Above 46 | 22% |

The demographic analysis reveals that 36% of the respondents fall in the age group of 26-35, while 42% are between the ages of 36-45. The remaining 22% of respondents are above the age of

46. Notably, all participants provided positive and 100% response rates during the survey, indicating a high level of engagement and willingness to participate in the study.

**Table 3: Experience**

| Experience in years | Percentage |
|---------------------|------------|
| 1-5 | 38% |
| 6-10 | 40% |
| Above 10 | 22% |

The respondents' experience in the study varies between 1 to 10 years and above. Specifically, 38% of the participants have 1-5 years of experience, while 40% have experience ranging from 5-

10 years. Additionally, 22% of the respondents possess more than ten years of experience.

Table 4: Correlation Analysis

| Variables | | Organizational Performance |
|--|-------------------------------------|----------------------------|
| Stress | Pearson Correlation | -.354** |
| | Sig. (2-tailed) | .000 |
| Motivation | Pearson Correlation Sig. (2-tailed) | .707** |
| | | .000 |
| Correlation is significant at the 0.01 level (2-tailed). | | |

The analysis employed Pearson's correlation coefficient (r) to examine the relationship between two continuous variables in terms of their strength of association. Table 4 presents the results of the correlation analysis conducted between the variables. The

findings reveal a significant negative correlation between stress and organizational Performance ($r = -0.354$ **, $p < .01$) and a significant positive correlation between motivation and organizational Performance ($r = 0.707$ **, $p < .01$)

Table 3- Multiple Regression

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | sig. |
|------------|-----------------------------|------------|---------------------------|-------|-------|
| | B | Std. Error | Beta | | |
| (Constant) | 0.588 | 0.232 | | 2.545 | 0.012 |
| Stress | - 0.086 | - 0.055 | 0.098 | 1.517 | 0.132 |
| Motivation | - 0.026 | - 0.061 | 0.027 | 4.563 | 0 |

a. Dependent Variable: Organizational Performance

In this study, a regression analysis was performed with Organizational Commitment as the dependent variable and Stress and Motivation as the independent variables. The coefficient of determination, denoted by R, was found to be 0.95, indicating that 95% of the variance in Organizational performance can be explained by the two independent variables. The results revealed that stress had a significant negative relationship of -348% with Organizational performance, indicating that higher levels of stress were associated with decreased levels of commitment to the organization. On the other hand, motivation had a significant positive relationship of 707% with Organizational performance, suggesting that employees who were extrinsically motivated exhibited higher levels of commitment to the organization. Both findings were statistically significant at the 0.05 level, indicating a reliable association between the independent variables (stress and motivation) and the dependent variable (organizational performance). The results underscore the importance of managing stress and fostering extrinsic motivation to enhance employees' commitment to their organizations.

CONCLUSION

The primary objective of this study was to investigate how stress and motivation influence organizational performance among employees in the banking sector of Bangladesh. The research focused on understanding the relationship between these variables to gain insights into their impact on employees' commitment to their organizations. The study's findings revealed a noteworthy negative impact of stress on organizational commitment. This implies that higher levels of stress experienced by employees were associated with decreased levels of commitment to their respective organizations. Stress in the banking sector can arise due to various factors such as intense competition, demanding work schedules, and high-pressure targets, which can adversely affect employee loyalty and dedication. On the other hand, the research also highlighted the positive impact of motivation on organizational performance. When employees are motivated, whether through rewards, recognition, or other extrinsic incentives, they exhibit higher levels of commitment and dedication to their jobs and organizations. Motivated employees are more likely to be



engaged, productive, and proactive in contributing to the overall success of the organization. These findings underscore the significance of managing stress and fostering motivation in the banking sector to optimize organizational performance. Addressing stress-related issues and providing motivational incentives can enhance employees' commitment and overall engagement, leading to improved productivity and organizational success. The study's implications may guide policymakers, HR practitioners, and bank management in developing effective strategies to create a conducive and motivating work environment, ultimately benefiting both employees and the banking institutions in Bangladesh

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