



THE EFFECTS OF OCCUPATIONAL STRESS ON THE MANAGEMENT OF AN ORGANIZATION



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ABSTRACT

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Occupational stress is an important issue not only for the researchers but also for the employees and managers at work. This study aims to determine the effects of occupational stress on job satisfaction, intention to leave and absenteeism. A sample of 100 employees in the Companies Commission of Malaysia, a statutory body regulating companies and businesses was recruited to participate in the study. A questionnaire was used to collect information on demographics, stress, job satisfaction, intention to leave and absenteeism. Pearson correlation and Multiple Linear Regression was used to examine the relationships between different variables. The results show that occupational stress does not have a direct effect on the intention to leave and absenteeism. In contrast, occupational stress has a direct negative effect on job satisfaction. Furthermore, job satisfaction has negative effects on the intention to leave and absenteeism. In conclusion, the authors recommend the following to management: (a) increasing job satisfaction by reducing employee occupational stress, and (b) that by reducing stress, the organization can reduce the levels of intention to leave and absenteeism among employees.

Contribution/ Originality: The study contributes to the existing literature regarding the effect of occupational stress on job satisfaction, intention to leave and absenteeism, particularly in Malaysia. The present study highlighted the importance of reducing occupational stress with the aim to minimize employees' intention to leave and absenteeism and increase their job satisfaction.

1. INTRODUCTION

Occupational stress and job satisfaction is always of interest to both employees and managers at work. Occupational stress can be defined as a condition that occurs from the interaction of people and their jobs that forces them to deviate from their normal functioning (Beehr and Newman, 1978). Given this definition, occupational stress arises when the demands of their work exceed workers' abilities, while job-related strains are reactions or outcomes resulting from the experience of stress (Jensen and McIntosh, 2007). Occupational stress can also be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources or needs of the worker (Mahmoud, 2008). From those definitions, we can conclude that occupational stress is a chronic condition caused by situations in the workplace that negatively affect employees' job performances and their overall wellbeing.

One of the causes of occupational stress is role stress according to Spector (1998) where, the role played by an employee can cause stress. From an organization's perspective, a role is the set of tasks and behaviors that others expect a person to perform while doing a job (Sokoya, 2000). This means that the role of an individual in the workplace can affect their performance. Usually role conflict occurs when a focal person responds with behavior that serves as inputs to the role senders' process and when a person perceives that some of the job requirements are incompatible, resulting in greater anxiety, tension and ultimately, low job satisfaction (Ciccotta, 2005). In addition, role ambiguity is experienced when the message that evaluators send are not clear or they give incomplete information (Rahim and Psenicka, 1996). Employees who are not clear with their job can get stressed more easily as they do not understand their roles and job.

Therefore, job satisfaction arises when individual perceives his or her job as fulfilling values that are considered important to that individual (Silva, 2006). Job satisfaction is one of the criteria for establishing a healthy organizational structure in an organization. In any organization, job satisfaction is crucial for producing quality workers as well as quality outcomes, services or products. The rate of turnover is quite high when employees' job satisfaction is low (Silva, 2006). This is one of the factors within the workplace itself.

Other factors affecting job satisfaction include: the communication within the workplace, the environment, the assignment given, the salary and benefits received not to the satisfaction of employees (Silva, 2006). The employee will be dissatisfied if the assignments received were too many while they are required to meet an unrealistic deadline (Silva, 2006). Additionally, little supervision and less support from the manager in completing assignments contribute to the high level of stress and dissatisfaction among employees. This then increases the number of employees who have the intention to leave and in turn that might seriously hamper the organization's productivity (Bragg, 1982). Some employees might think that their job is only temporary and these employees have the tendency to look for and find a better job. If this is high, it shows very low commitment within the employees in that organization (Hemingway and Smith, 1999). These employees will contribute to low performance as well low productivity. In addition, some employees seem to take their job for granted and as a result, the task given will not be accomplished properly and cannot meet deadlines. This will affect the organization's image especially if it deals with the public (Gilmore, 2001).

Therefore, this study has been conducted to investigate the effects of occupational stress on job satisfaction, intention to leave and absenteeism among employees at the Companies Commission of Malaysia (CCM) which is a statutory body that regulates companies and businesses. CCM which started operating on 16th April 2002, is a statutory body formed as a merger between the Registrar of Companies (ROC) and the Registrar of Businesses (ROB) in Malaysia. Its main activity is to serve as an agency to incorporate companies and register businesses and to provide the public with company and business information.

2. METHODS

2.1. Study Population and Design

This cross-sectional study was conducted with 100 employees of Companies Commission of Malaysia who voluntarily participated in the study. A questionnaire was used to collect data on various factors such as demographics, occupational stress, job satisfaction, intention to leave and absenteeism.

2.2. Instrument Reliability and Validity

Several instruments were used to collect the data for this research. Part one of the questionnaire referred to demographic data. Part two investigated job satisfaction and Part three investigated items from occupational stress. Part four consisted of a question, asking about participants' intentions to leave their jobs. The reliability of the variables in the questionnaires was tested by using Alpha Cronbach as shown in Table 1 below.

Table-1. The level of reliability of variables in the questionnaire.

Variables	N	Reliability
Occupational stress	100	0.502
Job satisfaction	100	0.719
Intention to leave	100	0.864
Absenteeism	100	0.791
External environment	100	0.864
Role ambiguity	100	0.510

2.3. Sampling Technique

This study used the technique of random sampling. Each person in the population has an equal and independent chance to be part of the sample and the population members are similar to one another in terms of one important variable (Hellman, 1997). To ensure a high number of representatives and avoid wasting time, simple random sampling was chosen because this technique required the researcher to select the population of the employee in headquarters (Bogg and Cooper, 1995).

2.4. Population and Sample

The population sample was a group of employees (N = 100) of the Companies Commission of Malaysia. The sample frame and the sample utilized were (N = 100).

2.5. Data Collection

The questionnaire for this study was distributed by the researchers to the potential participants. A cover letter consisting of an introduction and information on the study was attached to with the questionnaire. The respondents were given time to answer the questionnaire. It was a bilingual questionnaire in both Malay and English.

2.6. Data Analysis

The Statistical Packages for Social Sciences (SPSS version 20) was used to analyze the data. Pearson correlation tests were used to determine the relationships between the different variables. In addition, multiple linear regressions were used to determine the effects of independent variables on dependent variables.

3. RESULTS

Table 2 below shows the correlation results for each variable investigated in this study.

Table-2. Relationship between occupational stress, intention to leave and absenteeism.

Correlations	Occupational stress	Intention to leave	Absenteeism
Occupational stress		-0.02	-0.04
Intention to leave	-0.02		0.66**

** Correlation is significant at the 0.01 level.

Table 2 shows the result for the relationships between occupational stress, the intention to leave and absenteeism. The correlation between occupational stress and the intention to leave is $r = -0.02$ ($p > 0.01$) suggesting that there is no significant relationship between occupational stress and the intention to leave. The relationship between occupational stress and absenteeism has a result of $r = -0.04$ implying that there is no significant relationship between occupational stress and absenteeism. However, the relationship between the intention to leave and absenteeism has a result of $r = 0.66$ showing that there is a significant relationship between the intention to leave and absenteeism.

Table-3. Relationship between job satisfaction, intention to leave and absenteeism.

Correlations	Intention to leave	Absenteeism
Job satisfaction	-0.25**	-0.25**

** : Correlation is significant at the 0.01 level.

The relationships between job satisfaction, the intention to leave and absenteeism are presented in Table 3 above. The correlation of job satisfaction to the intention to leave is $r = -0.25$ indicating that there is a significant relationship between occupational stress and the intention to leave. Furthermore, the relationship between job satisfaction and absenteeism also has a result of $r = -0.25$ that signifies a significant relationship between occupational stress and absenteeism.

Table-4. Relationship between occupational stress, role ambiguity and external environment.

Correlations	Role ambiguity	External environment
Occupational stress	0.37**	0.37**

** : Correlation is significant at the 0.01 level; * : Correlation is significant at the 0.05 level.

The relationship between occupational stress and role ambiguity and the external environment is significant according to the result of $r = 0.37$ in Table 4 for occupational stress and role ambiguity. In addition, the result between occupational stress and external environment ($r = -0.16$; see Table 4) is also a significant relationship.

Table-5. Relationship between occupational stress and job satisfaction.

Correlations	Occupational stress
Job satisfaction	-0.21*

* : Correlation is significant at the 0.05 level.

The relationship between There is a significant negative relationship between job satisfaction and occupational stress as shown in Table 5 above ($r = -0.21$).

Table-6. Multiple linear regression between job satisfaction and intention to leave.

Coefficients ^a Model	Unstandardized coefficients				Standardized Coefficients
	B	Std. error	Beta	t	Sig
1(Constant)	3.887	0.325	11.950	0.000	
Job satisfaction	-0.251	0.095	-0.258	-2.641	0.010

a: Dependent variable: Intention to leave.

Table 6 shows multiple linear regression results between job satisfaction and the intention to leave. The result of job satisfaction = $3.887 + (-0.258)$ shows that the relationship between job satisfaction and intention to leave is significant and that job satisfaction impacts the intention to leave in a negative way. This means that employees with high job satisfaction have less of an intention to leave.

Table-7. Multiple linear regression between job satisfaction and absenteeism.

Coefficients ^a Model	Unstandardized coefficients				Standardized Coefficients
	B	Std. error	Beta	t	Sig
1(Constant)	3.950	0.293	13.475		0.000
Job satisfaction	-0.227	0.086	-0.259	-2.653	0.009

a: Dependent Variable: absenteeism.

The result job satisfaction = $3.950 + (-0.259)$ absenteeism see Table 7 also shows that job satisfaction impacts absenteeism negatively. This also means that when employees have high job satisfaction, they have a low tendency towards absenteeism.

Table-8. Multiple Linear Regression between role ambiguity and occupational stress.

Coefficients ^a Model	Unstandardized coefficients				Standardized Coefficients
	B	Std. error	Beta	t	Sig
1(Constant)	1.442	0.267	5.396		0.000
Role ambiguity	0.520	0.127	0.385	4.110	0.000

a: Dependent variable: Occupational stress.

As shown by the results in Table 8 above ($\beta=1.442+ (0.385)$), role ambiguity does not seem to contribute towards occupational stress.

Table-9. Multiple linear regression between external environment and occupational stress.

Coefficients ^a Model	Unstandardized coefficients				Standardized Coefficients
	B	Std. error	Beta	t	Sig
1(Constant)	3.180	0.472	6.744		0.000
External environment	-0.206	0.124	-0.167	-1.665	0.099

a: Dependent variable: Occupational stress.

Table 9 displays the multiple linear regression results between the external environment and occupational stress. The results of $\beta = 3.180 (-0.167)$ show that the external environment negatively contributes to the effect of occupational stress.

Table-10. Multiple Linear Regression between occupational stress and job satisfaction

Coefficients ^a Model	Unstandardized coefficients				Standardized Coefficients
	B	Std. error	Beta	t	Sig
1(Constant)	3.650	0.151	24.199		0.000
Occupational stress	-0.122	0.055	-0.218	-2.210	0.029

a: Dependent variable: Job satisfaction.

Table 10 shows multiple linear regression between occupational stress and job satisfaction; the result shows that relationship between occupational stress and job satisfaction; job satisfaction $\beta = 3.650 + (-.218)$ occupational stress; the relationship shows that occupational stress was negatively affect job satisfaction. In addition, Figure 1 concluded the results of the study.

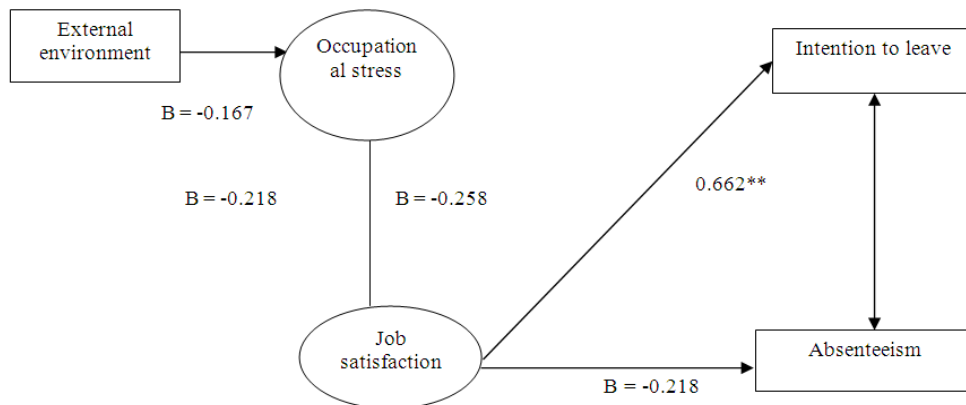


Figure-1. Causes of occupational stress and its effect of job satisfaction, intention to leave and absenteeism

4. DISCUSSION

Stress can arise= from one or more dimensions and can be either internal or external. Lazarus and Folkman (1984) stated that the stressors or the causes of stress can range from catastrophic events to irritating incidents, however these stressors do not elicit stress responses in the individual until the person views the stress as exceeding the available resources. An increase in occupational stress has a spillover effect in both the workplace and

at home (Crouter *et al.*, 1999; Standen *et al.*, 1999). Occupational stress is a chronic condition caused by situations in the workplace that may negatively affect an individual's job performance and/or overall wellbeing. Research studies have consistently demonstrated that excessive occupational stress has adverse effects for both physical and psychological wellbeing (Cooper and Cartwright, 1994). Occupational stress has cost organizations billions of dollars through increasing health care costs, lowering productivity, and higher rates of absenteeism and turnover among employees (Luthans, 2002a). For employers, the costs are felt in terms of low productivity, reduced profit, high rates of staff turnover and the costs of recruiting and training replacement staff (Luthans, 2002a).

According to Lee and Mowday (1987) the lack of job satisfaction is one of the variables that are strongly related to employees leaving a company. Other such variables include a lack of organizational commitment and job involvement. This means that when employees exceed their capability, they get easily stressed or tense. Other studies have identified heavy workloads, the urgency of the work to be performed and role conflicts, lack of social support, poor job fit, insufficient knowledge base and unsafe workplaces (Habibi *et al.*, 2014; Kitronza and Mairiaux, 2015; Hoboubi *et al.*, 2017) as potential factors and variables. Occupational stress can be reduced, for example by supporting and training the employees, good communication in the workplace, and better salaries and benefits.

Furthermore, according to Goodman and Pennings (1977) an important criterion related to employee absence is employee satisfaction; that is an employee with high level of job satisfaction is less likely to be absent. Employees find it easier to be absent from work when they are not satisfied with their work in some way. Indeed, some interest in job satisfaction is focused primarily on its impact on employee commitment, absenteeism, the intention to quit, and actual turnover (Agho *et al.*, 1993). These studies showed that job satisfaction gives negative affect if the employee has low job satisfaction. The lack of job satisfaction is one variable that is strongly related to employees leaving the company and their job involvement, so an employee who has low job satisfaction often has an intention of leaving the organization (Lee and Mowday, 1987). Job satisfaction is usually defined as a pleasurable feeling that arises from one's workplace (Locke, 1976). Therefore, job satisfaction can be increased with rewards, recognition, better salaries and benefits and providing good facilities to the employees at work.

Although occupational stress is not directly affected by the intention to leave and absenteeism, it may indirectly affect these factors through job satisfaction because occupational stress affects job satisfaction. This is because job satisfaction has been showed to be related to job performance, turnover and life dissatisfaction (Tait *et al.*, 1989; Dickter *et al.*, 1996). From the previous research it can be said that job satisfaction can affect employee performance and attitudes. Therefore, the organization needs to reduce the level of occupational stress to either maintain or increase the level of job satisfaction at a high rate among employees.

Role ambiguity is experienced when the message those evaluators send are not clear or they give incomplete information (Vecchio, 2006). This is one of the factors contributing to occupational stress. Role ambiguity means employees are not clear about their roles and responsibilities. Tension is created when the demands of a job or job environment exceed the capacity of the person to respond effectively (Schwab, 1996). This means that when employee exceeds their capability, they get easily stressed or tense. Other studies have identified heavy workloads, the urgency of work to be performed and role conflict, lack of social support, poor job fit, insufficient knowledge base and unsafe workplaces as potential factors. According to Lee and Mowday (1987) the lack of job satisfaction is one of the variables that is strongly related to employee leaving a company. Other variables include a lack of organizational commitment and job involvement.

5. CONCLUSIONS AND RECOMMENDATIONS

Based on the literature review and the findings of this study, the researcher has made several recommendations to the Companies Commission of Malaysia. An important criterion related to employee's absenteeism and the intention to leave is employee's job satisfaction. An employee with a high level of job satisfaction is less likely to be absent and to intend to leave the organization. With the aim to reduce the amount of absenteeism and the intention

to leave, the organization must increase the level of job satisfaction so that employees will feel satisfied when working in the organization.

Job satisfaction can be increased with rewards, recognition, better salaries and benefits as well as providing good facilities to the employees. Although occupational stress does not directly affect the intention to leave and absenteeism, it may do so indirectly through job satisfaction because occupational stress affects job satisfaction. Organizations must reduce the stress level in their workplaces so that job satisfaction will be high. Occupational stress can be reduced by the organization's management. For example, management can provide employees with support and training. Good communication between the management and the employees is essential in the workplace. Organization management plays a vital role in finding as many ways as possible to reduce the level of occupational stress in the company and to increase the level of job satisfaction among employees at work.

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