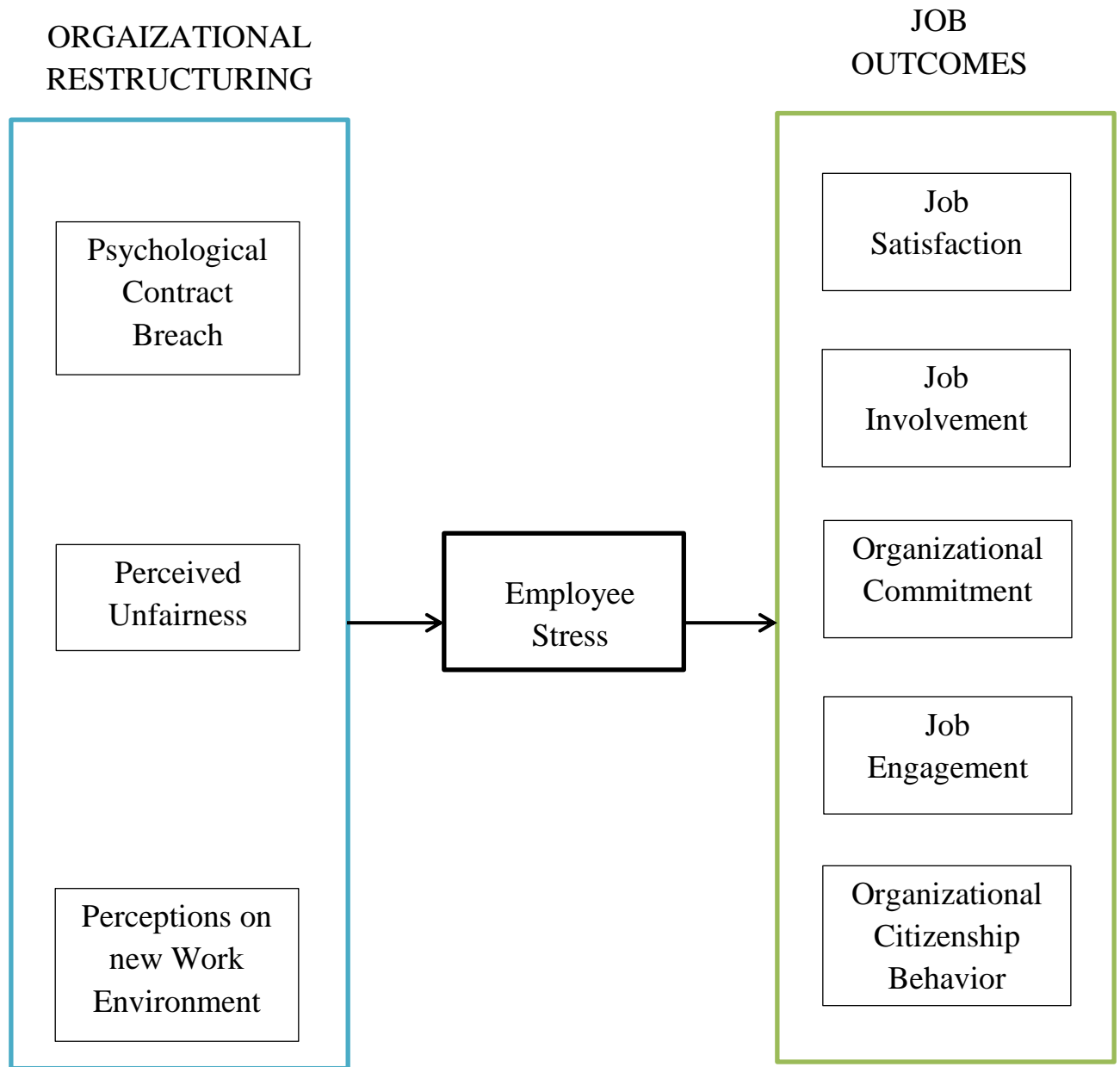


# IMPACT OF ORGANIZATIONAL RESTRUCTURING ON EMPLOYEE STRESS AND JOB OUTCOMES

## A Proposed Model



## Hypotheses

**H1** – There is a positive relationship between psychological contract breach and employee stress.

**H2** – There is a positive relationship between perceived unfairness and employee stress.

**H3** – There is a positive relationship between perceptions on new work environment and employee stress.

**H4** – There is a negative relationship between psychological contract breach and job satisfaction.

**H5** – There is a negative relationship between perceived unfairness and job involvement.

**H6** – There is a negative relationship between perceived unfairness and job satisfaction.

**H7** – There is a negative relationship between perceived work environment and job satisfaction.

**H8** – There is a negative relationship between employee stress and job involvement.

**H9** – There is a negative relationship between employees stress and job satisfaction.

**H10** – There is a negative relationship between employee stress and organizational commitment.

**H11** – There is a negative relationship between employee stress and job engagement.

**H12** – There is a positive relationship between employee stress and organizational citizenship behavior.

**H13** – There is a positive relationship between job satisfaction and job involvement.

**H14** – There is a positive relationship between job engagement and job satisfaction.

**H15** – There is a positive relationship between job engagement and organizational citizenship behavior.

### **Research Methodology**

The data is collected using survey method using a questionnaire. Snowball sampling is followed in this study. The research units comprised of employees of State Bank of India (SBI) after merger); that is, previously employees of State Bank of Mysore (SBM), State Bank of Hyderabad (SBH), State Bank of Travancore (SBT). The target population consisted of all employees working at the recently- merged SBI. The questionnaires are distributed to various employees with clear instructions on how to fill them and the responses are collected.

### **Statistical Techniques to be used**

The statistical techniques to be used here include scale reliability assessment using Cronbach's Alpha (Cronbach, 1951). Paired T-test and one way analysis of variance (ANOVA) test with multiple comparisons (Post Hoc Scheffe's Test) is used to test for significant differences on various measures based on the branches (associate banks). Paired T-test is used to test for significant differences in the level of various job outcomes experienced by the employees, before and after merger. Each of the hypotheses (H1 to H15) is tested using linear regression analysis. Statistical software SPSS 24.0 is chosen for conducting these analyses.

### **Work to be done**

1. Validity test – Face validity, Construct validity (using Structured Equation Method [SEM] or factor analysis) and Discriminant Validity.

2. Using 'Employee Stress' as a mediating variable to test the relationship between the impact of organizational restructuring variables and job outcome variables, using Amorse software.

3. Financial analysis –

a) To evaluate the bank performance in terms of Operating and Net Profitability.

b) To analyze the performance of the Bank after merger in terms of Return on Investment.

c) To find out the impact of merger on bank of Current ratio.

d) To examine the effects of merger on equity shareholders through EPS and Market Share Price.

### **Instrument**

The instrument consisted of 44 questions and 9 standard scales are used. Perceptions on work environment is measured using the Frills scale (1981); it consists of 10 items that covers some important reasons (decision making responsibility, autonomy, clarity in work, job insecurity, career opportunity) for employee stress in times of organizational restructuring. Psychological contract breach is measured using 3 items of the Robinson & Morrison (2000) scale. Perceived unfairness is measured using 4 items scale Micheal T Ford, 2013 - derived from Colquitt, 2000. Job Stress is measured using the scale developed by Motowidlo et al (1986) as adopted by Bradley (2004) that consisted of 4 items. Job involvement is measured using 5 items scale developed by Kanungo in 1982. Job satisfaction is measured using a short scale developed by Wanous, Reichers & Hurdy 1997 that consists 1 item. Employee engagement was measured using the short version of Utrecht Work Engagement Scale (Schaufeli et al., 2006) that consisted of 9 items, 3 each under the categories namely; vigor, absorption and dedication. Organizational commitment is developed using the scale developed by Mowday et al., 1982 consisting of 3 items. The

scale used here for measuring organizational citizenship behavior was developed by Bettencourt et al., 2001 which consists of 5 items. All these 45 items were transformed into statements rated on a five – point Likert scale (1- Strongly disagree to 5- Strongly agree).

### **Pilot Testing with Results**

Reliability testing concerns the extent to which the measuring procedures yield the same results on repeated trials. Reliability analysis of the measures/scales is generally carried out by item-to-total correlation and Cronbach's coefficient alpha (Churchill, 1979). Here, the Cronbach's coefficient alpha was used to test the reliability.

**Table: Reliability of the Measures**

<b>Study Variables</b>	<b>No. of Items</b>	<b>Cronbach's <math>\alpha</math></b>
Perceived Work Environment (PWE)	10	0.831
Employee Stress (ES)	4	0.787
Job Involvement (JI)	5	0.767
Job Engagement (JE)	9	0.832
Organizational Commitment (OC)	3	0.838
Organizational Citizenship Behavior (OCB)	5	0.863
<b>Overall Reliability</b>	<b>44</b>	<b>0.847</b>

According to Nunally(1978), Cronbach's coefficient alphas above the threshold value of 0.7 is sufficient to prove the reliability of the scales. It is evident from the table that the scales used are internally reliable.

As to some literature on this topic, Nunally (1967) maintained that in theoretical studies, even modest reliabilities of .60 or .50 may be acceptable. To agree, Hair et al. (2006) proposed that though “generally agreed” lower limit for

Cronbach's alpha value is .70, it may decrease to .60 and still be acceptable, especially in exploratory studies and in research in the Social Sciences. Furthermore, Aron and Aron (1999) proposed that in research in psychology, Cronbach's  $\alpha$  of .60 or even lower could be adequate; however, values exceeding .7 are preferable (Aron & Aron, 1999).

### **Limitations and Future Research Directions**

The survey is carried out only with permanent employees having technical backgrounds employed as managers, associates, assistants, cashiers or probationary officers and not from temporary staff. This study is applicable to SBI employees working in and around Salem. This study is not applicable to native employees of State Bank of Bikaner and Jaipur(SBBJ) and Bhartiya Mahila Bank (BMB).

The cross-sectional survey design we use does not allow us to make causal conclusions. That is, the survey is taken at one point of time. There are chances that the result may vary after some time. For example, at the first instant, an employee is asked to fill the impact of organizational restructuring on stress level and job outcomes questionnaire at the time of heavy crisis at his workplace. He would respond to it using his perception of things at that point of time. The same questionnaire, when distributed to the same person, after the crisis would yield a different response. It is recommended to conduct longitudinal research in future to examine the impact over time and to capture relevant data during different levels of stress, job engagement, satisfaction and involvement. Since we use snowball technique for sampling, it is difficult to get more responses which could help to gain more reliable results.

The present study has focused only on examining the level of stress and job oriented outcomes experienced by employees of different cadres. It is suggested to compare the levels of WFC between different cadres in future. It is

also recommended to study the impact of organizational culture on employee stress and job outcomes in the future.

## Sample Analysis

### Regression

This technique is used to test the proposed hypotheses. Here, first four hypotheses (H1, H2, H3 and H4) are tested and the results are shown in Table 1.

**Table 1: Regression results for H1, H2, H3 and H4**

	Dependent Variable
	Employee Stress
<b>Independent Variables</b>	
WE	-.067
PSB	.267
PU	.257
<b>R<sup>2</sup></b>	.189
<b>Adjusted R<sup>2</sup></b>	.137
<b>Total F</b>	3.652**
<b>R<sup>2</sup> Change</b>	.189
<b>F Change</b>	3.652**
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

Hypothesis 7 is tested using regression analysis and results in Table 2 show that job satisfaction has 1% dependency on employee stress in this model.

**Table 2: Regression results for H7**

	Dependent Variable
	Job Satisfaction
<b>Independent Variables</b>	
ES	-.033
<b>R<sup>2</sup></b>	.001
<b>Adjusted R<sup>2</sup></b>	-.019

<b>Total F</b>	.053
<b>R<sup>2</sup> Change</b>	.001
<b>F Change</b>	.053
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

Hypothesis 8 is tested using regression analysis and results in Table 2 show that job satisfaction has 2.8% dependency on employee stress in this model.

**Table 3: Regression results for H8**

	Dependent Variable
	Job Involvement
<b>Independent Variable</b>	
ES	-.169
<b>R<sup>2</sup></b>	.028
<b>Adjusted R<sup>2</sup></b>	.009
<b>Total F</b>	1.434
<b>R<sup>2</sup> Change</b>	.028
<b>F Change</b>	1.434
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

Hypothesis 9 is tested using regression analysis and results in Table 4 show that employee engagement has 5% dependency on employee stress in this model.

**Table 4: Regression results for H9**

	Dependent Variable
	Employee Engagement
<b>Independent Variables</b>	
ES	.068
<b>R<sup>2</sup></b>	.005
<b>Adjusted R<sup>2</sup></b>	-.016
<b>Total F</b>	.229



<b>R<sup>2</sup> Change</b>	.005
<b>F Change</b>	.229
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

Hypothesis 10 is tested using regression analysis and results in Table 5 show that employee engagement has 2% dependency on employee stress in this model.

**Table 5: Regression results for H10**

	Dependent Variable
	Organizational Commitment
<b>Independent Variables</b>	
ES	-.039
<b>R<sup>2</sup></b>	.002
<b>Adjusted R<sup>2</sup></b>	-.019
<b>Total F</b>	.075
<b>R<sup>2</sup> Change</b>	.002
<b>F Change</b>	.075
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

Hypothesis 12 is tested using regression analysis and results in Table 6 show that employee engagement has 6% dependency on employee stress in this model.

**Table 6: Regression results for H12**

	Dependent Variable
	Organizational Citizenship Behavior
<b>Independent Variables</b>	
ES	-.076
<b>R<sup>2</sup></b>	.006
<b>Adjusted R<sup>2</sup></b>	-.014
<b>Total F</b>	.287

<b>R<sup>2</sup> Change</b>	.006
<b>F Change</b>	.287
* $p < .05$ ; ** $p < .01$ ; *** $p < .001$	

## Paired T-test

This is done to compare and check if there are any significance differences in the levels of job outcomes like Job Satisfaction, Job Involvement, Employee Engagement, Organizational Commitment and Organizational Citizenship Behavior experienced by the employees of the then associate banks both prior to and post-merger.

It can be seen in Table 7 that the study variables present in the sample pairs are positively and significantly correlated with each other.

**Table 7: Paired Samples Correlations**

		N	Correlation
Pair 1	(JI_Pre) & (JI_Post)	51	.670***
Pair 2	(JS_Pre) & (JS_Post)	51	.321***
Pair 3	(JE_Pre) & (JE_Post)	51	.891***
Pair 4	(OC_Pre) & (OC_Post)	51	.714***
Pair 5	(OCB_Pre) & (OCB_Post)	51	.521***

**Table 8: Paired Samples Test**

		Mean	Std. Deviation	t	Sig. (2-tailed)
Pair 1	(JI_Pre) - (JI_Post)	.00092	.51966	.013	.990
Pair 2	(JS_Pre) - (JS_Post)	.29412	1.26955	1.654	.104
Pair 3	(JE_Pre) - (JE_Post)	.01455	.29573	.351	.727
Pair 4	(OC_Pre) - (OC_Post)	-.11111	.63128	-1.257	.215
Pair 5	(OCB_Pre) - (OCB_Post)	-.03561	.71184	-.357	.722

It is evident from Table 8 that for these 51 respondents, there is no significant difference in the level of job oriented outcomes experienced by the employees of both prior to and post-merger.

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