



# Impact of Stress and Extrinsic Motivation on Organizational Commitment: Empirical Analysis of Banking Sector

**Dr. Zeenat Kanwal**, PhD, Affiliation, Institute of Commerce, SALU Khaipur

**Dr. Amir Hussain Shar**, Professor, Institute of Commerce, SALU Khaipur

**Abstract-** This study investigated that employees working in banking sectors are facing stress due tough working environment and they need extrinsic motivation in order to survive in the organization and will be committed towards their job and organization. The study population is the banks in the Sukkur division. The total number of employee is 1200 in the various banks in the Sukkur division and the sample size selected for the study is 480 according to the sunders et.al method of sampling. The data is analysed through the SPSS in which model fit and multiple regression tests have been applied and for hypothesis testing the beta coefficient has also been measured. Through the analysis it has concluded that the entire hypothesis has positive and significant impact on the organizational commitment and hence proved that the stress and extrinsic motivation are positively associated with the organization commitment in the banking sector.

**Keywords:** Stress, Extrinsic Motivation, Organizational commitment

## I. INTRODUCTION

Many social and environmental factors influence an individual's ability to be productive and successful in everyday life and company. Positive factors improve an individual's effectiveness and efficiency by disclosing positive interactions, while negative factors reduce an individual's quality of life, and therefore their effectiveness and efficiency. Stress is one of these causes that harm people's quality of life. It impacts people physically, behaviourally, and mentally as a part of everyday life, and this can have an impact on their mood and their health. There is no single meaning for stress since many factors influence and influenced by it. 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." Furthermore, It is an individual's wellbeing jeopardized as a result of pushing and crossing personal boundaries under the influence of environmental factors (Z. Baltaş& A. Baltaş, 2006. an individual pushing himself beyond his physical and psychological limits due to circumstances that are incompatible with his nature (Cücelolu, 1998).

### Study Objectives

- To analyze the impact of stress on organizational commitment among the employees of banking sectors
- To analyze the impact of Extrinsic motivation on organizational commitment among the employees of banking sectors

### Problem Statement

Many organizations aim to get maximum work done by their employees for achieving their desired goal. It may create psychological pressure and stress among the employees. Employees working in banks face stress due to overwork pressure, long working hours, and aggressive behaviour of their managers and customers. The study aims to analyze the impact of stress and extrinsic motivation on employee commitment.

### Significance of the study

The study contributes a valuable addition to the existing literature and will be beneficial for policy makers. This study will also be beneficial for employees working in the banking sector to manage the stress at the workplace.

**Stress**

Higher management in the banking sector is unaware of the impact of stress on employee performance, which leads to critical managerial dilemmas, as described by Subha and Shakel (2009): "Higher levels of stress existed with no managerial concern for a solution, resulting in lower employee performance, staking organizational reputation, and loss of skilled employees. Work overload and time pressure to complete too much work in a short period are significant sources of stress that lower employee performance, according to Babak et al. (2010). "With excessive pressures, job demands cannot be met, relaxation turns to exhaustion, a sense of satisfaction replaces feelings of stress, motivation fades, and workers begin to lose interest in their jobs," they wrote.

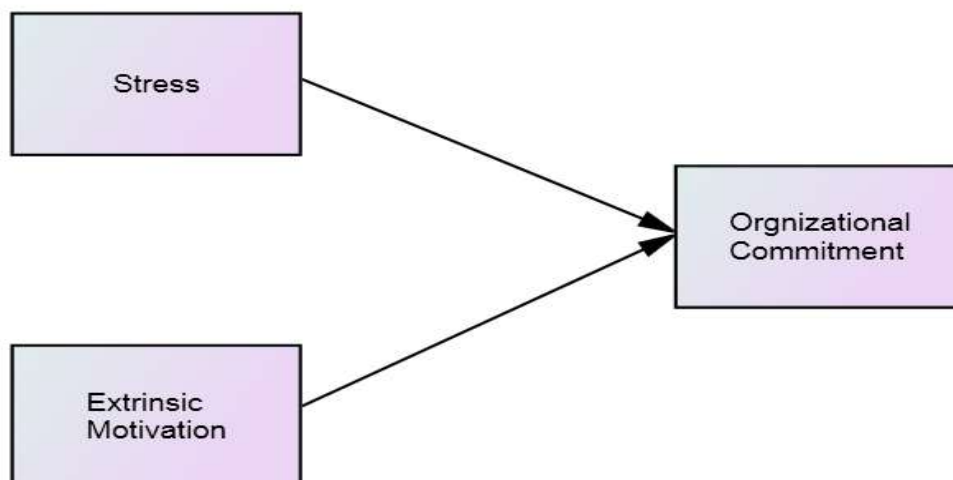
**Extrinsic Motivation**

According to Emeka et al. (2015), all extrinsic influences increased employee morale, which positively impacted worker productivity. Extrinsic influences, such as monetary policy and good working relatives, were found to be important in increasing employee performance in both the public and private sectors, according to Attrams (2013). Using the Herzberg two-factor theory in Malaysia, Hong Tan and Waheed (2011) concluded that hygiene factors were more important than intrinsic factors in the retail industry. Their research centered on compensation first, then added business policy and working conditions to extrinsic variables. Employees were motivated by extrinsic incentives to achieve high performance in the company, according to William (2010). Stella (2008) the employees' motivation can be achieved through various factors such as working conditions, work relationships, supervision, and job security.

**Organizational Commitment**

Researchers classify organizational commitment in different ways since it is a variable that requires various commitment dimensions. Organizational commitment is classified by Etzioni (1961) as moral commitment, utilitarian commitment, and alienating commitment. O'Reilly and Chatman (1986) as adaptation commitment, identification commitment, and internalization commitment; Wiener (1982) as instrumental commitment and normative-moral commitment; and Buchanan (1974) as identification, hugging, and loyalty commitment. Though Meyer and Allen (1984) classified organizational commitment into two dimensions: affective commitment and continuance commitment at first, a normative commitment later added to the model as the third dimension (Allen & Meyer, 1990). Affective loyalty refers to the personal connection and high degree of identification between workers and their employers. Employees with high affective commitment want to work in the company despite all circumstances because they want to. Continuance commitment refers to an employee's understanding of the costs incurred if they leave the business.

**Study Model**



### Hypotheses of the study

**H1:** stress has significant negative impact on organizational commitment among the employees of banking sector in Khairpur.

**H2:** Extrinsic motivation has significant positive impact on organizational commitment among the employees of banking sector in Khairpur.

### III. RESEARCH METHODOLOGY

Descriptive and quantitative research design has been used in this study. The study covers the employees working in the banking sector. The total population was 1200, and the sample size was 480 using the table of saunders et al. 2009. A convenient sampling technique was applied, and data collected through the adopted and modified questionnaire of Cohen et al. (1988), Tsigilis and Theodosiou (2003), and Alan and Meyer (1990). Data analyzed in SPSS v21, and these techniques applied reliability analysis, correlation, and regression analysis.

### IV. ANALYSIS AND RESULTS

#### Reliability Analysis

Variable Name	Cronbach Score
Commit	.77
Stress	.79
Ext Motivation	.75

The Cronbach alpha should be .70 or above to be considered data is reliable as suggested by Pallent 2005. The value for the commitment is also above than the .60 which represents that it is highly reliable. The value for the stress is also above than the .60 which represents that it is highly reliable and the value for the ext. motivation is also above than the .60 which represents that it is highly reliable.

#### Demographic Analysis

Age in Years	Percentage
20-30	37%
31-40	40%
Above 40	23%

The demographic analysis shows that the respondents who were between the ages of 20-30 are 37% and those who are between the ages of 31-40 are 40% and the respondents who are above the age of 40 is 23%. All respondents have given positive and 100% response during the survey.

#### Experience

Experience in years	Percentage
1-5	39%
6-10	41%
Above 10	20%

The experience ranges between the 1 to 10 and above. 39% respondents have the 1-5 experience. The 41% have the experience between the 5-10 years and 20% had experience of above ten years.

## Result of regression test

The regression technique was applied on study variables Organizational Commitment was dependent variable and Stress and Extrinsic motivation has independent variable. The R value is 0.95 it shows that there is 95% relationship of independent variable with dependent variable .value shows Stress account for -30% negative relationship with Organizational commitment which is significant at 0.05 level. Extrinsic Motivation account for 64% positive relationship with Organizational Commitment which is also significant at 0.05 level.

## V. CONCLUSION

The study aimed to analyze the impact of stress and extrinsic motivation on organizational commitment and the banking sector employees working in banking sectors located in Khairpur district. The findings of the study suggested that stress has a significant negative impact of stress on organizational commitment. Findings further signify that extrinsic motivation has a significant positive impact on organizational commitment.

## REFERENCES

- [1] U. Rout and J. K. Rout, *Stress and General Practitioners*, Kluwer Academic Publishers, London, UK, 1993.
- [2] S. Fisher, "Stress, health and disease," *British Journal of Hospital Medicine*, vol. 49, no. 10, pp. 687–688, 1993.
- [3] R. S. Lazarus and S. Folkman, *Stress, Appraisal, and Coping*, Springer, New York, NY, USA, 1984.
- [4] E. S. Williams, T. R. Konrad, W. E. Scheckler et al., "Understanding physicians' intentions to withdraw from practice: the role of job satisfaction, job stress, mental and physical health," *Health Care Management Review*, vol. 26, no. 1, pp. 7–19, 2001.
- [5] E. R. Voltmer, U. Kieschke, D. L. Schwappach, M. Wirsching, and C. Spahn, "Psychosocial health risk factors and resources of medical students and physicians: a cross-sectional study," *BMC Medical Education*, vol. 8, article 46, 2008.
- [6] L. N. Dyrbye, M. R. Thomas, and T. D. Shanafelt, "Systematic review of depression, anxiety, and other indicators of psychological distress among U.S. and Canadian medical students," *Academic Medicine*, vol. 81, no. 4, pp. 354–373, 2006.
- [7] E. R. Stucky, T. R. Dresselhaus, A. Dollarhide et al., "Intern to attending: assessing stress among physicians," *Academic Medicine*, vol. 84, no. 2, pp. 251–257, 2009.
- [8] N. Shields, "Stress, active coping, and academic performance among persisting and nonpersisting college students," *Journal of Applied Biobehavioral Research*, vol. 6, no. 2, pp. 65–81, 2001.
- [9] K. F. Helmers, D. Danoff, Y. Steinert, M. Leyton, and S. N. Young, "Stress and depressed mood in medical students, law students, and graduate students at McGill University," *Academic Medicine*, vol. 72, no. 8, pp. 708–714, 1997.
- [10] M. Schmitter, M. Liedl, J. Beck, and P. Rammelsberg, "Chronic stress in medical and dental education," *Medical Teacher*, vol. 30, no. 1, pp. 97–99, 2008.
- [11] R. J. Sawa, A. Phelan, F. Myrick, C. Barlow, D. Hurlock, and G. Rogers, "The anatomy and physiology of conflict in medical education: a doorway to diagnosing the health of medical education systems," *Medical Teacher*, vol. 28, no. 8, pp. e204–e213, 2006.
- [12] E. Cooley and T. Toray, "Coping in women college students: the influence of experience," *Journal of College Student Development*, vol. 39, no. 3, pp. 291–295, 1998.
- [13] J. G. Bramness, T. C. Fixdal, and P. Vaglum, "Effect of medical school stress on the mental health of medical students in early and late clinical curriculum," *Acta Psychiatrica Scandinavica*, vol. 84, no. 4, pp. 340–345, 1991.
- [14] E. Rodolfa, S. Chavoor, and J. Velasquez, "Counseling services at the university of California, Davis: helping medical students cope," *The Journal of the American Medical Association*, vol. 274, no. 17, pp. 1396–1397, 1995.
- [15] M. S. Bhatia, K. Garg, S. Chandra, and S. C. Malik, "Neurotic symptoms in first year medical students," *Annals of the National Academy of Medical Sciences*, vol. 28, no. 1-2, pp. 49–52, 1992.
- [16] B. A. Lerner, "Students' use of psychiatric services: the Columbia experience," *The Journal of the American Medical Association*, vol. 274, no. 17, pp. 1398–1399, 1995.

- [17] R. Saipanish, "Stress among medical students in a Thai medical school," *Medical Teacher*, vol. 25, no. 5, pp. 502–506, 2003.
- [18] H. M. Abdulghani, "Stress and depression among medical students: a cross sectional study at a Medical College in Saudi Arabia," *Pakistan Journal of Medical Sciences*, vol. 24, no. 1, pp. 12–17, 2008.
- [19] M. Amr, A. H. EL-Gilany, and A. EL-Hawary, "Does gender predict medical students' stress in Mansura, Egypt?" *Medical Education Online*, vol. 13, article 12, 2008.
- [20] F. Bineshian, M. Saberian, S. HajiAghajani et al., "P03-239 Study of stress level among medical school students of Semnan university, Iran," *European Psychiatry*, vol. 24, supplement 1, p. S1238, 2009.
- [21] G. M. Mouret, "Stress in a graduate medical degree," *The Medical Journal of Australia*, vol. 177, no. 1, pp. 1–10, 2002.
- [22] B. T. Shaikh, A. Kahloon, M. Kazmi et al., "Students, stress and coping strategies: a case of Pakistani Medical School," *Education for Health*, vol. 17, no. 3, pp. 346–353, 2004.
- [23] C. T. Sreeramareddy, P. R. Shankar, V. S. Binu, C. Mukhopadhyay, B. Ray, and R. G. Menezes, "Psychological morbidity, sources of stress and coping strategies among undergraduate medical students of Nepal," *BMC Medical Education*, vol. 7, article 26, 2007.
- [24] M. A. Elzubeir, K. E. Elzubeir, and M. E. Magzoub, "Stress and coping strategies among Arab medical students: towards a research agenda," *Education for Health*, vol. 23, no. 1, p. 355, 2010.
- [25] C. B. Shriver and A. Scott-Stiles, "Health habits of nursing versus non-nursing students: a longitudinal study," *Journal of Nursing Education*, vol. 39, no. 7, pp. 308–314, 2000.
- [36] H. Nicholl and F. Timmins, "Programme-related stressors among part-time undergraduate nursing students," *Journal of Advanced Nursing*, vol. 50, no. 1, pp. 93–100, 2005.