Chapter VII: Role Stress in Commercial Banks: A Model

The phenomenon of role stress is a characteristic experience of employees of commercial banks. While influencing the long-term survival of the organization, such phenomenon may have a rippling effect throughout the organization and may negatively impact employees at the micro level. Specifically, the research literature supports the effects of role stress on the psychological well-being of the individual and his role performance (McGrath, 1976). The maladaptation between individuals and their role environment may lead to psychological burdens and stress-related problems which may further disrupt their healthy functioning (Arnten et al., 2008). However, due to the interaction between a person’s personal factors and the work environment (Beehr and Newman, 1978; Payne, 1988), certain individuals seem more vulnerable to the effects of role stress than others (Jones & Bright, 2001). Examining the factors influencing the experience of role stress and its resultant consequences would greatly enhance the stress literature in developing an understanding of management of role stress for ensuring a better work environment for the employees of the organizations.
Keeping the above background in consideration, this present part of the research work provides a comprehensive investigation into the phenomenon of role stress at commercial banks. In order to explore the phenomenon of role stress, during the preliminary analysis, the association of organizational and individual antecedents, namely, type of bank, perceived organizational climate, nativeness, gender, marital status, working spouse, family type, education, salary, age, work experience, locus of control, stress propensity and additional work held, has been measured with role stress. The analysis indicates that perceived organizational climate, locus of control, stress propensity, salary, age, work experience and type of bank are significantly associated with role stress experience of bank employees. The relationship of role stress and behavioural strain; behavioural strain and coping; coping and performance related indicators have also been assessed during preliminary analysis and only significant associations have been further taken up in the model. The statistical tools have been employed to identify the presence of significant association between the independent and dependent variables in the study. The variables which are significantly related have been further used in the model.

Divided into three sections, this chapter examines the theoretical background and hypotheses in section I. Results and analysis are
Section I

7.1 The Proposed Theoretical Model

In proposing the theoretical model, it is argued that several individual and organizational variables influence the level of role stress faced by the employees and the behaviour of role stressed employee might deviate from normal healthy functioning as depicted in the feelings of anger, depression, frustration, etc., which, in turn, might influence the kind of coping style used to combat role stress. The coping style, further, may have an influence on the performance of the employees. The hypothesized model is proposed on the basis of several conceptual and empirical arguments.

7.1.1 Organizational and Individual Antecedents and Role Stress

Role stress at work is found to be associated with factors including individual and socio-economic (Swanson & Power 1998) which corroborates that role stress may be a consequence of the milieu between individual and the work environment (Beehr and Newman, 1978; Payne, 1988). Given the diverse workforce at the workplace, the interest in the effects of individual personal attributes on the experience of role stress has been increasing. The complexity and multifacetedness of the
phenomenon of role stress is reflected in the heterogeneity manifested in age, salary, work experience, etc. Clayson & Frost (1984) and Chandriah et al. (2003), for example, have found that younger individuals show significantly more role stress. Moreover, managers with lower income have been found to be affected more by unfavorable organizational characteristics (Bednar et al., 1995). The sector to which the organization belongs can also be one of the determinants of role stress for employees (Sankpal et al., 2010; Shah, 2003). It is also likely that the factors inherent in the personality of an individual can exert a significant impact on the perceived role stress experienced by the individual (Eysenck, 1983; Ivancevich et al., 1982). The stress propensity indicators prevalent in an individual may relate to subjective stress and strain symptoms (Wofford, 2002). Similarly, anxious people might be more stressed at work and dissatisfied (Cooper and Roden, 1985; Spector et al., 1988). Moreover, employees, who perceive themselves more in control, may experience fewer negative consequences or role stressors than their counterparts (Ganster & Fusilier, 1989). The potential of organizational climate in augmenting role stress has been acknowledged by Parker and Decotiis (1983). Based on the preceding discussion, the following hypothesis relating organizational and individual antecedents to role stress is proposed:
H₀.₇.₁: There is no significant influence of organizational and individual variables on the role stress experience of employees.

7.1.2 Role Stress and Behavioural Strain

Role stress leads to psychological strain which occurs when organizational stress leads to ineffective cognitive functioning (Beehr & Glazer, 2005; Beehr, 1995; Jackson & Schuler, 1985). Kemery et al. (1985) also found that role conflict and role ambiguity exert a direct influence on job-related tension. Keenan and McBain (1979) have reported positive relationship between behavioural symptoms and role overload. Similar relationships have been supported in research for relationship between role overload, role ambiguity and outcomes like fatigue, tension, anxiety and anger-irritation (Beehr et al., 1976; Harrison, 1978). Accordingly, second hypothesis is proposed:

H₀.₇.₂: There is no significant influence of role stress on behavioural strain of employees.

7.1.3 Behavioural Strain and Coping Style

Holahan and Moos (1985) found that individuals who adapted to stress with little psychological and physical strain are less inclined to rely on avoidance coping than are people who show psychological dysfunction under stress. Kumar and Manoharan (2006) also revealed relationship between anxiety and the use of escape avoidance coping and likewise,
Ebata & Moos (1991) found linkage between depression, a heightened condition of stress, and avoidant coping. Moreover, Connor-Smith and Flachsbart (2007) reviewed coping and reported that individuals, who experience numerous stressors or are highly stress reactive, may disengage to tame their own unpleasant psychological arousal, whereas individuals, who experience few stressors, are low in stress reactivity, and generate positive appraisals, may be better positioned to use engagement or approach coping. Thus, it is hypothesized that:

\[ H_{0.7.3} \]: There is no significant influence of behavioural strain on coping style of employees.

### 7.1.4 Coping Style and Performance

Generally speaking, approach coping style is thought to be better way to deal with stress and avoidance coping style appears to be risky venture (Holahan & Moos, 1987). Compas et al. (2001) indicated, although using different nomenclature and in a different setting, that disengagement and emotion-focused coping, typically predict poorer outcomes for the individuals. Billings & Moos (1984) and Hart et al. (1995) underlined that the coping strategies which approached the problem are adaptive otherwise they are maladaptive. Hence, it is hypothesized that:
H0.7.4: There is no significant influence of coping style on performance benefits of employees.

The Figure 7.1.1 presents the proposed theoretical model for assessing the role stress phenomenon at commercial banks and summarizes the key hypotheses. The interconnecting paths in the Figure 7.1.1 demonstrate that organizational and individual antecedents have an influence on role stress of the individuals. The role stress so experienced may lead to the exhibition of behavioural strain which, in turn, may affect the coping style of the individuals. The coping style, consequently, may impact performance measured by promotion, increments, rewards and appreciation.

**Figure 7.1.1: The Proposed Theoretical Model**
Section II

7.2 Analysis and Results

The review of literature reveals the theoretical underpinnings of the proposed model which examines the impact of organizational and individual related antecedents, namely, perceived organizational climate, stress propensity, work experience, locus of control, salary, age and type of bank, on role stress. The impact of role stress on behavioural strain and the effect of behavioral strain on coping is also assessed. The coping style impacts the performance measured by promotion, increments, rewards and appreciation. A recursive path analysis has been used to estimate the relationship between the variables. Recursive indicates that the causal effects are unidirectional (Fairbrother and Warn, 2003) and it yields the same values for coefficients as does multiple regression (Kline, 1998). However, path analysis gives an advantage that it provides for the simultaneous estimation whereas multiple regression requires separate analysis for each criterion variable. Path analysis is designed to evaluate how well a proposed conceptual model that contains the observed indicators and hypothetical constructs explains or fits the collected data (Hoyle, 1995; Yoon et al., 2001). It also provides the ability to specify the causal relationships among sets of measured variables (Turner and Resigner, 2001). Maximum Likelihood Method
has been used to arrive at the results as it is relatively stable against violation of normality in large samples (Bentler, 1992). Maximum likelihood estimation minimizes the fitness function by deriving parameter estimates that yield predicted covariance which are as close as possible to the observed values in a particular sample.

In order to evaluate the fit of the model, following the approach of Bollen (1989), multiple indices of fit have been examined. One of the most widely used fit indices is the chi-square. A small chi-square indicated that the observed data are not significantly different from the hypothesized model. However, numerous authors have suggested that chi-square has limitations in that good-fitting models can be rejected on the basis of incorrect evaluation related to large samples (Tabachnick and Fidell, 1996). In response to this dilemma, an alternative to the chi-square statistic for assessing the goodness-of-fit is a chi-square/df ratio (Boruch & Wolins, 1970). It is suggested that dividing the degrees-of-freedom (df) for a causal model into the chi-square value produced by the application of that model indicates goodness-of-fit. To augment the analysis, three categories of overall model fit measures are utilized in the study: absolute fit measures (AFM) namely, chi-square/degrees of freedom, goodness of fit index (GFI), root mean square residual (RMSEA); incremental fit measures (IFM) namely, adjusted goodness
of fit index (AGFI) and parsimonious fit measures (PFM) such as, comparative fit index (CFI), incremental fit index (IFI). Absolute fit measures assess only the overall model fit whereas the incremental fit measures compare the proposed model to specified null model to determine the degree of improvement over the null model. Parsimonious fit measures adjust the measures of fit to provide a comparison between the models with varying numbers of estimated coefficients with a purpose to determine the amount of fit achieved by each estimated coefficient (Hair et al., 2006).

The GFI indicates the proportion of the observed covariance explained by the model covariance. It varies from 0-1 with 1 being a perfect fit. A variant of this statistic is the Adjusted Goodness of Fit index, which includes an adjustment for model complexity. This is done because the more parameters included in any model, the greater the amount of variance explained. The AGFI takes this into account by correcting downward the value of the GFI as the number of parameters increases. Values greater than 0.9 are considered well fitting. The CFI indicates the proportion in the improvement of the overall fit of the proposed model relative to a null model, typically the “independence” model. The independence model is one in which all variables are assumed to be uncorrelated. RMSEA is a standardized summary of the
average covariance residuals. Covariance residuals are the differences between the observed and model-implied covariance. The value of the RMSEA increases as the average discrepancy between the observed and predicted covariance increase. The RMSEA value of greater than 1 is considered to be a poor fit (Dick and Wagner, 2001).

The results from the maximum likelihood (refer Table 7.2.1) estimation show that some statistics do not reach the minimum threshold limits as typically reported for an acceptable fit by Hair et al. (2006) and Lacobucci (2010). The RMSEA value of Model I is found to be 0.159 which indicated that it is not a reasonably fit model. These findings suggested that an improvement in the model is still possible by modifying the basic model. Based on the information provided by structural estimates and modification indices, a modified model has been built as depicted in the Figure 7.2.1. Only significant structural paths have been retained in this rival model. Estimation of this modified model (Model II) show better fit statistics which reach the minimum threshold for an adequately acceptable model fit. The fit indices of the two models are shown in the Table 7.2.1.
Table 7.2.1: Fit Indices

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$/Df</th>
<th>RMSEA</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>IFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>13.606</td>
<td>0.159</td>
<td>0.734</td>
<td>0.642</td>
<td>0.199</td>
<td>0.207</td>
</tr>
<tr>
<td>II</td>
<td>5.941</td>
<td>0.099</td>
<td>0.954</td>
<td>0.915</td>
<td>0.769</td>
<td>0.774</td>
</tr>
</tbody>
</table>

Note: Df = Degrees of Freedom; $\chi^2$ = chi-square; RMSEA = Root Mean Square Residual; GFI = Goodness of Fit Index; AGFI = Adjusted Goodness of Fit Index; CFI = Comparative Fit Index; IFI = Incremental Fit Index.

The GFI has a value of 0.954 (Model II), which is quite high and the RMSEA, which indicates the average residual correlation, has a value of 0.099 which represents an adequate fit. A CFI of 0.769 means that the overall fit of the tested model is almost 77 per cent better than that of an independence model based on the sample data. The model II is found to adequately fit the data using goodness-of-fit and other relevant statistical and econometric measures as displayed by Table 7.2.1 (RMSEA = 0.099, GFI = 0.954, AGFI = 0.915, CFI = 0.769, and IFI = 0.774). The standardized coefficients estimate (refer Table 7.2.2), for Model II, also show that the structural paths are statistically significant at one per cent level of significance.
Table 7.2.2: Path Parameter Estimates

<table>
<thead>
<tr>
<th>Model</th>
<th>Dependent Variables</th>
<th>Independent Variables</th>
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<tr>
<td></td>
<td>Perceived Organizational Climate</td>
<td>Role Stress</td>
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<tr>
<td></td>
<td>Stress Propensity</td>
<td>Behavioral Strain</td>
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<tr>
<td></td>
<td>Locus of Control</td>
<td>Coping Style</td>
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<td></td>
<td>Age</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work Experience</td>
<td></td>
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<tr>
<td></td>
<td>Salary</td>
<td></td>
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<tr>
<td></td>
<td>Type of Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Role Stress</td>
<td></td>
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<tr>
<td>I</td>
<td>Behavioral Strain</td>
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<tr>
<td></td>
<td>Coping Style</td>
<td></td>
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<td></td>
<td>Rewards</td>
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<td></td>
<td>Appreciation</td>
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<td></td>
<td>Increments</td>
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<td></td>
<td>Promotion</td>
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<tr>
<td>I I</td>
<td>Role Stress</td>
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</table>
The modified and optimal model (Model II) suggests that perceived organizational climate, individual’s stress propensity and locus of control impact the experience of role stress. The role stress experienced influences the exhibition of behavioural strain and the behavioral strain, in turn, impacts coping style. The coping influences performance, assessed by appreciation. Specifically, the model indicates that the perception of unfavorable climate, individual’s stress propensity and external locus of control increases the experience of role stress. The role stress so experienced increases the display of high behavioural strain; the behavioural strain, in turn, leads to an increase in the use of avoidance coping style amongst individuals, which leads to a decrease in the number of times appreciation reported to be received by the individual for his performance.
Section III

7.3 Discussion

An integrated role stress model for employees of commercial banks is shown in the Figure 7.2.1. The model shows that role stress is the result of individual’s locus of control, stress propensity and perceived organizational climate, and role stress also acts as an antecedent for behavioural strain among commercial bank employees. In addition, it is found that the behavioural strain suffered by the individuals leads to the adoption of avoidance coping style which influences performance, as it is revealed that individual would report to have received less appreciation consequent upon the use of avoidance coping style.

7.3.1 Organizational and Individual Antecedents and Role Stress

The first hypothesis that there is no significant influence of organizational and individual antecedents namely, perceived
organizational climate, type of bank, work experience, stress propensity, locus of control, salary, age, on role stress has found partial support. The optimal model revealed that role stress is affected by the perceived organizational climate and personality attributes of the individual. Specifically, individuals with external locus of control are found to experience high role stress at their workplaces. In line with these results, several studies have also found that employees with an internal locus of control experience less role stress than those with external orientations (Goolsby, 1992; Spector, 1988). Moreover, individuals susceptible to stress, as assessed by their stress propensity, are also found to experience more role stress. Cooper and Roden (1985) and Spector et al. (1988) have also reinforced similar finding in their works. This implies that individual employee may represent a good source of focus for initiating programmes of role stress management. Additionally, the unfavorable organizational climate perceived by the individual adds on to the high role stress experiences of the individuals at the workplace. It indicates the need for initiating such programmes which increase openness, warmth, and recognition for efforts of the individuals. Interestingly, neither of the variables among age, work experience, salary and type of bank is found to have a statistically significant influence on role stress of employees of commercial banks. The results
suggest that public or private sector does not have an influence on the role stress which is also corroborated by the earlier findings of this study.

7.3.2 Role Stress and Behavioural Strain

There is a strong relationship between role stress and behavioural strain (refer Figure 7.2.1) which prepares foundation for rejecting the second null hypothesis. The optimal model shows that role stress may manifest itself in the form of high behavioural strain, exhibiting in forms like anger, depression, argumentative, impatient, irritation, etc. Beehr et al. (1976) and Harrison (1978) have also found relationships between role overload, role ambiguity and outcomes like fatigue, tension, anxiety and anger-irritation, which depict behavioral strain. This indicates that individuals suffering from high role stress may need to pay more attention to their behaviour and pick up cues for role stressors and its consequences, for immediate remedial measures, as it may pose a threat to their mental and physical well-being (French & Caplan, 1972).

7.3.3 Behavioural Strain and Coping Style

The high behavioural strain experienced by the individuals is found to positively impact the use of avoidance coping style by them. Hence, the third hypothesis is also rejected. Holahan and Moos (1985) and Connor-Smith and Flachsbart (2007) support the findings which implies that
high behavioural strain may refrain individuals from adopting an approach attitude towards the management of role stress. The behavioural strain imposed by high role stress may prevent an individual from using those tactics which lead to constructive solution of the problem. In order to get a temporary relief from stress an individual is likely to use avoidance coping style rather than approach coping style.

7.3.4 Coping Style and Performance

The fourth hypothesis that avoidance coping style does not significantly influence the performance benefits has found support for promotion, rewards and increment variables. The Figure 7.2.1 reveals that avoidance coping style affects the number of times an individual is appreciated at work which he reports to be less in number consequent to avoidance coping. Compas et al. (2001) also found that disengagement coping tactics lead to poorer outcomes for the individuals. As discussed above, avoidance coping style may prevent an individual from adopting an approach coping style towards role stress due to which the matter responsible for creating role stress keeps lasting over individual’s head affecting performance at work. As a result, adverse consequences for performance may occur, bringing less appreciation at work. The model does not suggest that avoidance coping style has an influence on promotion, increments and rewards received by the employees. It
implies that avoidance coping style might not have much impact on the administration of promotion and other performance benefits like increments and rewards. The reason behind this may be that the administration of appreciation relatively takes less time in comparison to the administration of promotion, increments and rewards due to which appreciation has been found to be one of the variables, in the model framework of role stress, which gets influenced by the coping style of the employee.

To conclude, this chapter provides a comprehensive investigation into the phenomenon of role stress at commercial banks. An effort has been made to explore the antecedents and consequences of role stress phenomenon by testing a model based on empirical arguments. The proposed theoretical model has been built to argue that several individual and organizational variables influence the level of role stress faced by the employees. Such variables relate to the sector to which bank employee belongs, perceived organizational climate, age, salary, work experience, stress propensity and locus of control. The role stress, so experienced, may exhibit in the behaviour of the employee which might deviate from normal functioning indicated by anger, depression, frustration, etc. The behavioral strain, in turn, might influence the kind of coping style used to combat role stress, namely, approach or
avoidance. The coping style, further, may have an influence on the performance indicators of the employees like promotion, increments, rewards and appreciation. A recursive path analysis has been used to estimate the relationship between the variables. Maximum Likelihood Method has been used to arrive at the results as it is relatively stable against violation of normality in large samples.

The findings suggested that an improvement in the model could be possible by revising the basic model. Based on the information provided by structural estimates and modification indices, a modified model has been built. Only significant structural paths have been retained in this rival model. Estimation of this modified model (Model II) explained much better fit statistics which reached the minimum threshold for acceptable model fit. The revised model indicates that individual’s personality framework and perception about the organizational climate can influence the experience of role stress at work. In particular, individuals with external locus of control are found to experience high role stress at their workplaces. Moreover, stress prone individuals are also found to experience more role stress. Additionally, the unfavorable organizational climate perceived by the individual contributes to the high role stress experiences of the individuals at the workplace. The role stress so experienced leads to behavioral exhibition
of it in the form of strain which in turn directs an individual towards the use of avoidance coping for the management of role stress. Avoidance coping affects the appreciation received by the individual for his work specifically resulting into less number of appreciation reported by the employee. The integrated role stress model for employees of commercial banks reinforces the central part played by the individual and his perceptual framework in determining the phenomenon and its effects. It may provide an important direction for designing stress management programmes at banks.