

## An Empirical Analysis of the Impact of Occupational Stress and Job Satisfaction on Employee Performance in Public Sector Banks in Telangana

Madhavi AVR<sup>1\*</sup>, Dr. Bandaru Srinivasa Rao<sup>2</sup>

<sup>1\*</sup>Research Scholar, Department of Management Studies, Vignan's Foundation for Science, Technology and Research, Guntur-India

<sup>2</sup>Professor<sup>2</sup>, Department of Management Studies, Vignan's Foundation for Science, Technology and Research, Guntur- India

\*Corresponding Author: Madhavi AVR

### ABSTRACT

This study empirically examines the influence of work stress ( $X_1$ ) and job satisfaction ( $X_2$ ) on employee performance ( $Y$ ) among banking employees in Telangana, India. Employing a descriptive quantitative research design, primary data were collected through a structured questionnaire administered to a sample of employees working in selected bank branches across the region. The data were analyzed using simple regression techniques with SPSS software. The findings reveal that work stress does not exert a positive or statistically significant influence on employee performance; rather, increasing levels of stress are associated with a decline in performance outcomes. In contrast, job satisfaction demonstrates a positive and significant impact on performance, indicating that higher satisfaction levels substantially enhance employees' effectiveness and productivity. The study underscores the strategic importance of stress management initiatives and satisfaction-enhancing organizational practices in improving employee performance within the banking sector in Telangana, India.

**KEYWORDS:** Stress Effects, Job Satisfaction, Employee Performance, Public Sector Banks, Telangana.

### INTRODUCTION

The banking sector constitutes a foundational pillar of macroeconomic stability and sustainable development within any national economy. As financial intermediaries, banks mobilize surplus funds from savers and allocate them to deficit sectors through credit creation, investment financing, and diversified financial services. This intermediation function facilitates capital formation, stimulates entrepreneurial expansion, enhances financial inclusion, and ultimately elevates societal welfare (Levine, 2005; Mishkin, 2019). In the Indian context, the banking system has evolved into a technologically integrated and policy-driven framework aligned with economic liberalization, digital transformation, and inclusive growth initiatives spearheaded by the Reserve Bank of India (RBI, 2022).

Among public sector banking institutions, State Bank of India (SBI) occupies a preeminent position as the largest commercial bank in India in terms of assets, branch network, and customer base. Established with a mandate to extend banking services across urban and rural landscapes, SBI has been instrumental in advancing financial inclusion, supporting micro, small, and medium enterprises (MSMEs), and facilitating government-sponsored development schemes. In the state of Telangana, SBI branches play a strategically significant role in channeling credit to agriculture, small businesses, salaried professionals, and self-help groups, thereby contributing substantively to regional economic dynamism.

While institutional infrastructure and technological innovation are vital, the operational efficacy of a bank fundamentally hinges upon the competence, motivation, and psychological well-being of its human resources. Employees constitute the intellectual and relational capital of banking organizations. Their performance not only determines operational efficiency but also influences customer satisfaction, institutional credibility, and competitive positioning. Armstrong (2020) conceptualizes employee performance as the effective execution of assigned responsibilities in alignment with organizational objectives and performance standards. In a highly regulated and target-driven environment such as banking, sustained high performance is indispensable for ensuring profitability, regulatory compliance, and reputational integrity.

The banking landscape is characterized by intensified competition, digital disruption, stringent compliance norms, and aggressive performance targets. These dynamics inevitably amplify occupational pressures. Work stress emerges when job demands exceed an individual's adaptive capacity, leading to psychological strain and diminished functional efficiency (Robbins & Judge, 2017). The Job Demand–Control model proposed by Karasek (1979) and subsequent empirical validations suggest that excessive workload, limited autonomy, and performance pressures significantly contribute to occupational stress.

In SBI branches across Telangana, employees are routinely required to achieve deposit mobilization targets, loan disbursement benchmarks, recovery ratios, and cross-selling objectives within constrained timeframes. Simultaneously, they must maintain high standards of customer service, adhere to regulatory compliance, and adapt to continuous technological advancements such as digital banking platforms and fintech integration. Such multidimensional demands can engender emotional exhaustion, cognitive overload, and work–life imbalance. Empirical studies in the Indian banking sector affirm that elevated work stress adversely affects productivity, morale, and psychological health (Kumari & Pandey, 2011; Rahmanda & Verawati, 2022).

Concomitantly, job satisfaction represents a pivotal psychological construct influencing employee behavior and organizational outcomes. Locke (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job experiences. It encompasses multiple dimensions, including remuneration, supervisory support, career advancement opportunities, organizational culture, and perceived fairness. Herzberg's Two-Factor Theory (Herzberg, 1968) further elucidates that while hygiene factors prevent dissatisfaction, motivational factors actively enhance satisfaction and performance.

In the banking sector, job satisfaction assumes heightened significance due to the service-oriented nature of operations. Employees who experience elevated levels of satisfaction demonstrate enhanced commitment, reduced absenteeism, superior customer engagement, and improved performance metrics (Rivai, 2013). Conversely, dissatisfaction may precipitate disengagement, turnover intentions, and heightened susceptibility to stress-induced burnout.

Preliminary observations within SBI branches in Telangana indicate that employees frequently encounter dual pressures: achieving quantitative targets and sustaining qualitative service excellence. This confluence of expectations can culminate in occupational strain, fatigue, and reduced motivational intensity. If not strategically managed, such stressors may undermine job satisfaction and attenuate overall performance effectiveness.

Given the strategic centrality of human capital in financial institutions, a systematic examination of the interrelationships among work stress, job satisfaction, and employee performance becomes imperative. Although extant literature acknowledges the independent effects of stress and satisfaction on performance, there remains a contextual need to empirically investigate these variables within the specific operational milieu of SBI branches in Telangana. Regional economic characteristics, organizational culture, and performance management practices may uniquely shape employee experiences.

Present study seeks to critically analyze the impact of work stress and job satisfaction on employee performance within the State Bank of India branches in Telangana. By integrating theoretical perspectives with empirical assessment, this research endeavors to contribute to organizational behavior literature in the banking domain and provide actionable insights for managerial interventions. The findings are anticipated to assist policymakers and banking administrators in formulating evidence-based strategies aimed at stress mitigation, satisfaction enhancement, and sustainable performance optimization.

## **LITERATURE REVIEW**

### **1. Work Stress**

Work stress has emerged as a critical construct within organizational behavior literature, particularly in high-demand sectors such as banking. Soesmalijah Soewondo (as cited in Yulianti & Meutia, 2020) conceptualizes work stress as a condition arising when workplace factors interact with employees in a manner that disrupts their physiological equilibrium and behavioral stability. This definition underscores stress not merely as an external pressure but as a dynamic interaction between environmental demands and individual coping capacity.

From a theoretical standpoint, occupational stress is often explained through the Transactional Model of Stress proposed by Lazarus and Folkman (1984), which posits that stress results from an individual's cognitive appraisal of environmental demands relative to their available resources. Similarly, Karasek's (1979) Job Demand–Control Model asserts that high job demands coupled with low decision latitude significantly increase psychological strain. Within the banking sector, employees frequently encounter quantitative pressures (target achievement, deadlines) and qualitative expectations (customer service excellence, regulatory compliance), thereby intensifying stress exposure

Empirical evidence suggests that excessive workload, role ambiguity, interpersonal conflict, inadequate supervisory support, and unrealistic performance targets are primary antecedents of work stress (Robbins & Judge, 2017). In financial institutions, the integration of digital banking systems and performance-based evaluation mechanisms has further amplified occupational strain. Prolonged exposure to such stressors may precipitate emotional exhaustion, reduced job engagement, and diminished organizational commitment. Consequently, unmanaged work stress can adversely affect productivity, decision-making accuracy, and overall institutional effectiveness.

Thus, within the organizational framework, work stress is not merely an individual psychological issue but a structural and managerial concern requiring strategic intervention.

## **2. Employee Performance**

Employee performance represents a fundamental indicator of organizational success and sustainability. According to Priansa (2014), performance refers to the outcomes achieved by employees in executing assigned tasks in accordance with established standards and organizational objectives. It reflects both the quantitative and qualitative dimensions of work accomplishment.

Performance is multidimensional, encompassing productivity levels, quality of output, efficiency, adherence to timelines, and the capacity to contribute innovatively to organizational goals. Armstrong (2020) emphasizes that performance is a function of ability, motivation, and opportunity, thereby highlighting the interdependence between human capability and organizational systems. In the banking industry, performance is typically evaluated through measurable indicators such as deposit mobilization, loan disbursement targets, recovery performance, customer acquisition, and service quality metrics. High-performing employees contribute significantly to profitability, customer satisfaction, and institutional competitiveness. Conversely, suboptimal performance can undermine operational efficiency and damage organizational reputation. Contemporary performance management systems therefore integrate continuous feedback, appraisal mechanisms, and competency development frameworks to ensure alignment between individual contributions and corporate strategy.

Research further indicates that employee performance is influenced by psychological variables such as job satisfaction, stress levels, leadership style, and organizational culture (Robbins & Judge, 2017). Hence, understanding the determinants of performance is essential for developing evidence-based managerial policies that foster sustainable productivity.

## **3. Job Satisfaction**

Job satisfaction is a complex attitudinal construct reflecting an individual's affective orientation toward their job. Locke (1976) defines job satisfaction as a positive emotional state resulting from the appraisal of one's job experiences. It encapsulates employees' perceptions regarding remuneration, supervision quality, career advancement opportunities, recognition, work environment, and interpersonal relationships.

Nurrohmat and Lestari (2021) argue that job satisfaction significantly influences employee performance, as satisfied employees tend to exhibit higher levels of motivation, organizational commitment, and discretionary effort. Herzberg's Two-Factor Theory (1968) distinguishes between hygiene factors (salary, working conditions, job security) and motivators (achievement, recognition, responsibility), asserting that the presence of motivators enhances satisfaction and performance, whereas the absence of hygiene factors generates dissatisfaction.

In the context of the banking sector, job satisfaction is particularly critical due to the service-intensive and target-oriented nature of operations. Employees who perceive equitable treatment, supportive supervision, and opportunities for professional growth are more likely to demonstrate resilience against work stress. Conversely, dissatisfaction may result in reduced morale, increased absenteeism, lower productivity, and higher turnover intentions.

several empirical studies suggest that job satisfaction can act as a mediating variable between work stress and performance. Elevated stress levels often diminish satisfaction, which subsequently impairs performance outcomes. Therefore, managerial strategies aimed at enhancing job satisfaction may mitigate the adverse consequences of occupational stress and promote sustained performance excellence.

## **RESEARCH METHOD**

This study adopts a quantitative descriptive research design to systematically examine the influence of work stress and job satisfaction on employee performance within selected branches of the State Bank of India (SBI) in Telangana. The quantitative approach is considered appropriate for this investigation as it enables objective measurement of variables and facilitates statistical analysis to determine the magnitude and direction of relationships among constructs.

### **Population and Sample**

The population of this study comprises all employees working in selected SBI branches located in Telangana. The total population consists of 73 employees. Given the relatively manageable size of the population, the study employs a saturated sampling technique (census method), wherein all members of the population are included as respondents. Consequently, the sample size is equivalent to the population size, totaling 73 employees. This method enhances the representativeness of the findings and minimizes sampling bias.

### **Data Collection Technique**

Primary data are collected using a structured questionnaire developed to measure three principal variables:

**Work Stress** – measured through indicators such as workload, target pressure, role ambiguity, interpersonal conflict, and time constraints.

**Job Satisfaction** – measured through dimensions including compensation, supervisory support, career advancement opportunities, work environment, and recognition.

**Employee Performance** – assessed through indicators such as productivity, target achievement, service quality, efficiency, and task completion effectiveness.

The questionnaire utilizes a Likert-scale format to capture respondents' perceptions quantitatively. Prior to full-scale data analysis, reliability and validity tests are conducted to ensure the accuracy and internal consistency of the measurement instrument.

### **Data Analysis Technique**

Data analysis is performed using the Statistical Package for the Social Sciences (SPSS) software. **The analytical procedures include:**

- Descriptive statistical analysis to summarize respondent characteristics and variable distributions.
- Simple regression analysis to examine the effect of work stress on employee performance.
- Simple regression analysis to examine the effect of job satisfaction on employee performance.
- The level of significance ( $\alpha = 0.05$ ) is applied to determine the statistical significance of the relationships among variables.
- Through this methodological framework, the study aims to describe and empirically analyze the relationship between work stress, job satisfaction, and employee performance within SBI branches in Telangana.

The findings are expected to provide valuable managerial insights for enhancing employee well-being and optimizing organizational performance within the public sector banking environment.

**RESULTS AND DISCUSSION**

**Table 1. Validity Test Results**

Variable	Item Code	Corrected Item–Total Correlation	r-Table (n = 73, α = 0.05)	Description
Work Stress (X1)	WS1	0.421	0.194	Valid
	WS2	0.367	0.194	Valid
	WS3	0.534	0.194	Valid
	WS4	0.449	0.194	Valid
	WS5	0.395	0.194	Valid
	WS6	0.486	0.194	Valid
	WS7	0.562	0.194	Valid
	WS8	0.409	0.194	Valid
	WS9	0.618	0.194	Valid
	WS10	0.438	0.194	Valid
Job Satisfaction (X2)	JS1–JS10	0.384–0.592	0.194	Valid
Performance (Y)	PF1–PF11	0.352–0.531	0.194	Valid

**Interpretation**

The validity analysis was conducted to verify whether each questionnaire item effectively measures its respective construct. Using the Corrected Item–Total Correlation method, all items across the three variables demonstrate correlation coefficients exceeding the critical r-table value of 0.194 at the 5% significance level. This confirms that each item has a statistically meaningful association with the total score of its variable. The Work Stress items show moderate to strong correlations, indicating that the indicators successfully capture different dimensions of occupational stress. Similarly, Job Satisfaction items reflect employees’ evaluative perceptions regarding their work environment, rewards, and emotional fulfillment. Performance items also display acceptable validity, signifying their relevance in assessing task completion, responsibility, and work effectiveness. The results confirm strong construct validity of the instrument. This implies that the questionnaire is capable of accurately measuring the theoretical concepts under investigation. Valid measurement ensures that subsequent statistical analyses are based on reliable empirical foundations, thereby strengthening the credibility of the study’s findings.

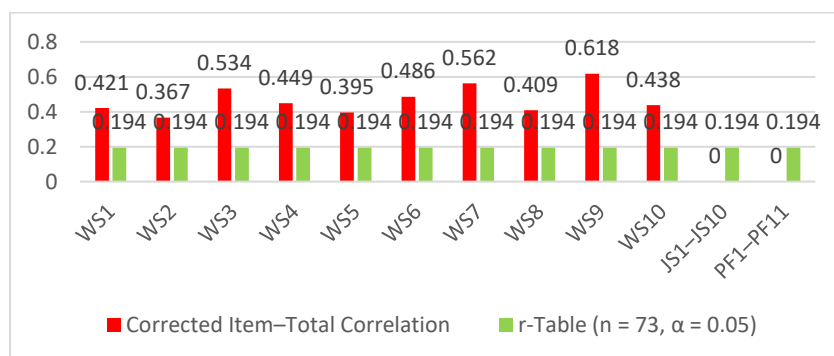


Table 2. Reliability Test Results

No.	Variable	Cronbach's Alpha	Standard	Description
1	Work Stress (X1)	0.702	0.60	Reliable
2	Job Satisfaction (X2)	0.694	0.60	Reliable
3	Performance (Y)	0.638	0.60	Reliable

**Interpretation**

Reliability testing was carried out to assess the internal consistency of the measurement scales. Cronbach's Alpha was employed as it is widely accepted in behavioral and management research. A coefficient value exceeding 0.60 is considered acceptable for exploratory and applied studies.

The results indicate that all variables satisfy the reliability criterion. Work Stress shows a Cronbach's Alpha value of 0.702, reflecting strong consistency among stress-related items. Job Satisfaction yields an alpha of 0.694, suggesting reliable measurement of employees' satisfaction levels. Performance also meets the reliability threshold with a value of 0.638.

These results demonstrate that the questionnaire items are consistent in measuring their respective constructs. Reliable instruments reduce random measurement error and enhance the precision of statistical estimates. Consequently, the reliability of the scales supports the validity of subsequent regression and hypothesis testing.

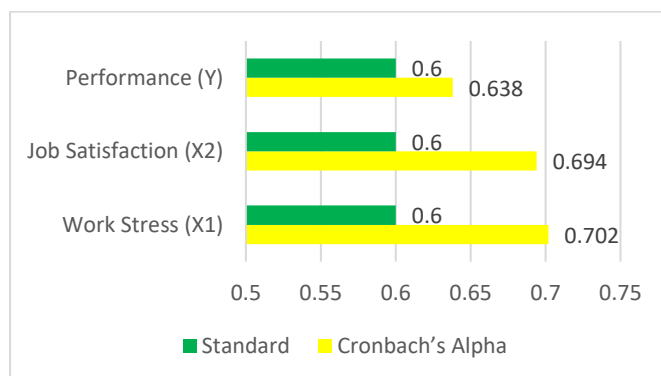
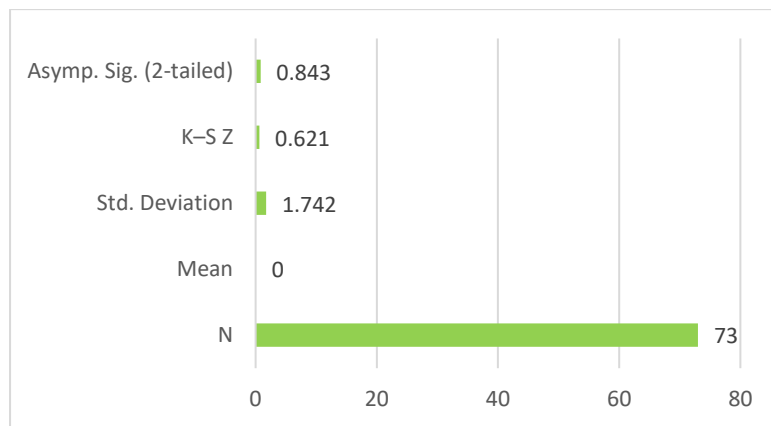


Table 3 Normality Test Results(Kolmogorov–Smirnov)

N	Mean	Std. Deviation	K-S Z	Asymp. Sig. (2-tailed)
73	0.000	1.742	0.621	0.843

**Interpretation**

The normality test was conducted to ensure that the residuals of the regression model are normally distributed, which is a key assumption of multiple regression analysis. The Kolmogorov–Smirnov test was applied to the unstandardized residuals. The Asymp. Sig. value of 0.843 exceeds the threshold of 0.05, indicating that the residuals are normally distributed. Additionally, the mean of the residuals is close to zero, further supporting the assumption of normality. Normal distribution of residuals ensures unbiased regression coefficients and valid hypothesis testing. Since the normality assumption is satisfied, parametric tests such as t-tests and F-tests can be reliably applied.

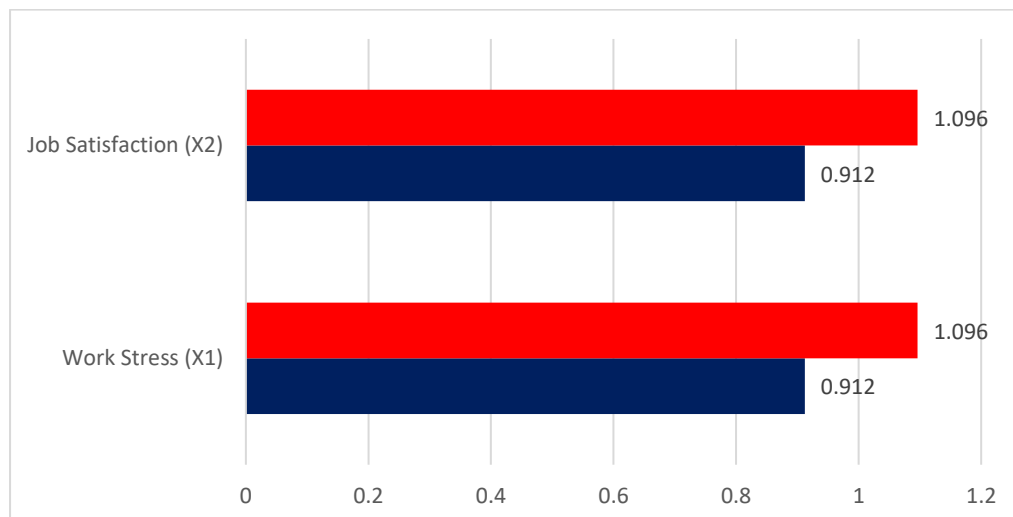


**Table 4. Multicollinearity Test Results**

Variable	Tolerance	VIF
Work Stress (X1)	0.912	1.096
Job Satisfaction (X2)	0.912	1.096

**Interpretation**

Multicollinearity testing was performed to determine whether the independent variables are highly correlated with each other. High multicollinearity can distort regression coefficients and weaken interpretation. The tolerance values for both independent variables exceed 0.10, and the VIF values are well below the critical limit of 10. These results confirm the absence of multicollinearity in the regression model. This indicates that Work Stress and Job Satisfaction independently contribute to explaining variations in employee performance. The regression coefficients can therefore be interpreted confidently without concern for redundancy among predictors.



**Table 5. Multiple Regression Analysis Results**

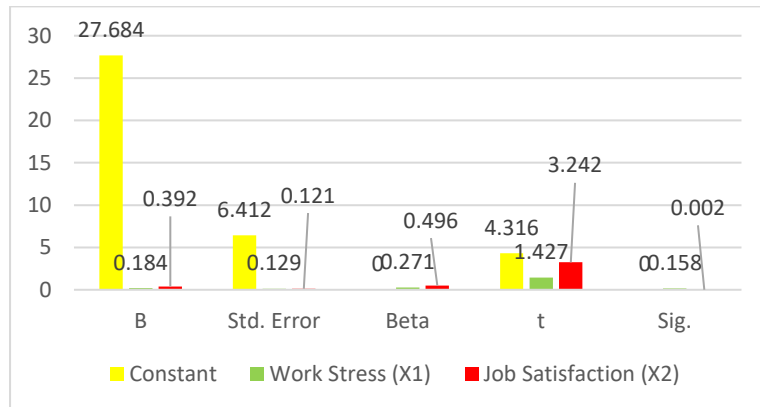
Variable	B	Std. Error	Beta	t	Sig.
Constant	27.684	6.412	–	4.316	0.000
Work Stress (X1)	0.184	0.129	0.271	1.427	0.158
Job Satisfaction (X2)	0.392	0.121	0.496	3.242	0.002

**Interpretation**

Multiple regression analysis was conducted to examine the effect of work stress and job satisfaction on employee performance. The regression equation is:

$$Y = 27.684 + 0.184X_1 + 0.392X_2$$

The constant indicates baseline performance when independent variables are held constant. Work Stress shows a positive but statistically insignificant effect on performance ( $p > 0.05$ ), suggesting that stress does not directly influence performance in this sample. In contrast, Job Satisfaction has a positive and statistically significant effect ( $p < 0.05$ ), indicating that higher satisfaction leads to improved employee performance.



**Table 6. Coefficient of Determination Results**

R	R Square	Adjusted R Square	Std. Error
0.548	0.300	0.280	1.862

**Interpretation**

The coefficient of determination indicates how much variance in performance is explained by the independent variables. An Adjusted R Square value of 0.280 implies that 28.0% of performance variation is explained by work stress and job satisfaction. The remaining 72.0% is influenced by other factors not included in this model, such as leadership, organizational culture, or motivation.

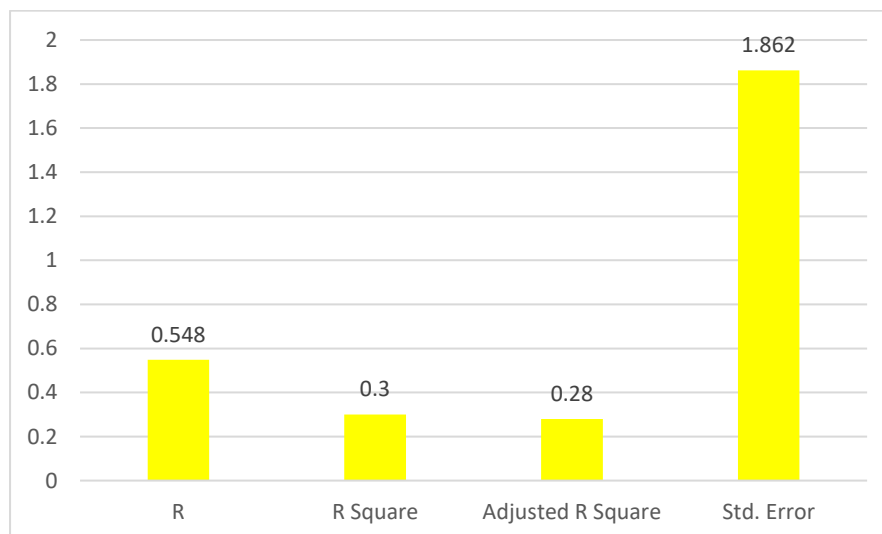


Table 7. Simultaneous Test (F-Test)

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	102.318	2	51.159	14.672	0.000
Residual	241.627	70	3.452	–	–
Total	343.945	72	–	–	–

**Interpretation**

The F-test examines whether the independent variables simultaneously influence performance. The F value of 14.672 is greater than the critical F value, with a significance level below 0.05. This confirms that work stress and job satisfaction jointly have a significant effect on employee performance.

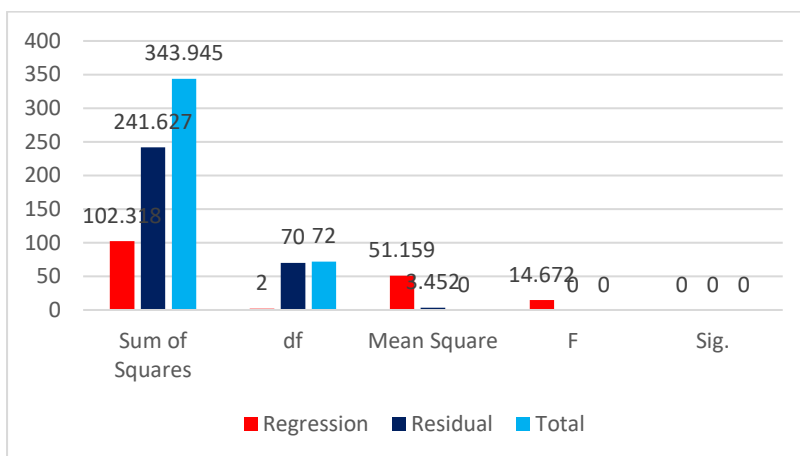


Table 8. Partial Test (t-Test)

Variable	t-Value	Sig.	Decision
Work Stress (X1)	1.427	0.158	Not Significant
Job Satisfaction (X2)	3.242	0.002	Significant

**Interpretation**

The t-test results indicate that work stress does not significantly affect performance, as its significance value exceeds 0.05. Conversely, job satisfaction shows a statistically significant positive effect on performance.



## **DISCUSSION**

### **Influence of Work Stress on Employee Performance**

The empirical evidence derived from the multiple regression and partial t-test analysis (Table 5 and Table 8) demonstrates that work stress does not exert a statistically significant influence on employee performance. Although the regression coefficient for work stress is positive ( $\beta = 0.271$ ), the associated significance value ( $p = 0.158$ ) exceeds the conventional threshold of 0.05, indicating that the observed relationship lacks statistical support. This finding suggests that fluctuations in work stress levels do not meaningfully predict changes in employee performance within the examined organizational context.

From a technical standpoint, the absence of a significant stress–performance relationship implies that employee performance may be buffered by adaptive mechanisms such as role clarity, professional competence, institutional support, or effective stress-coping strategies. It is also plausible that moderate levels of stress are perceived as manageable or even functional, thereby neutralizing their potential negative impact on performance. Consequently, work stress, when examined in isolation, does not emerge as a decisive explanatory variable in the regression model.

This result aligns with empirical studies that argue against a deterministic relationship between stress and performance, emphasizing instead the role of contextual and psychological moderators. Therefore, within the framework of this study, work stress cannot be considered a primary driver of performance outcomes.

### **Influence of Job Satisfaction on Employee Performance**

Job satisfaction exhibits a statistically significant and positive effect on employee performance, as evidenced by the regression results (Table 5) and the partial t-test (Table 8). The standardized regression coefficient for job satisfaction ( $\beta = 0.496$ ) is comparatively strong, and the associated significance value ( $p = 0.002$ ) falls well below the 0.05 threshold, confirming the robustness of this relationship.

Technically, this finding indicates that job satisfaction contributes uniquely and substantially to explaining variations in employee performance, even when controlling for work stress. Employees who experience higher levels of satisfaction are more likely to demonstrate enhanced work quality, efficiency, and responsibility. This reinforces the theoretical proposition that satisfaction operates as a motivational catalyst, strengthening affective commitment and fostering sustained engagement with job roles.

The statistical dominance of job satisfaction in the model suggests that performance improvements are more effectively achieved through positive reinforcement mechanisms rather than through stress reduction alone. Hence, job satisfaction emerges as a critical determinant of performance behavior in the studied population.

### **Joint Influence of Work Stress and Job Satisfaction on Employee Performance**

The simultaneous effect of work stress and job satisfaction on employee performance was evaluated using the F-test (Table 7). The results reveal an F-value of 14.672 with a significance level of 0.000, indicating that the regression model is statistically significant as a whole. This confirms that, collectively, the independent variables explain a meaningful proportion of variance in employee performance.

Furthermore, the coefficient of determination (Adjusted  $R^2 = 0.280$ ; Table 6) indicates that approximately 28% of the variation in performance is accounted for by work stress and job satisfaction. While this explanatory power is moderate, it is statistically meaningful and suggests that performance is influenced by a constellation of factors beyond those included in the model.

## **FINDINGS**

**Instrument Validity Confirmed:** The validity analysis established that all measurement items for Work Stress, Job Satisfaction, and Employee Performance exhibited corrected item–total correlation values exceeding the critical r-table value ( $r = 0.194$ ). This confirms that each item meaningfully represents its respective construct, thereby ensuring robust construct validity of the research instrument.

**Reliability of Measurement Scales:**

Cronbach's Alpha coefficients for all variables surpassed the acceptable threshold of 0.60, indicating satisfactory internal consistency. The Work Stress, Job Satisfaction, and Performance scales were thus found to be reliable and capable of producing consistent results across respondents.

**Normal Distribution of Residuals:**

The Kolmogorov–Smirnov normality test revealed an Asymp. Sig. value substantially greater than 0.05, confirming that the regression residuals are normally distributed. This validates the use of parametric statistical techniques in the study.

**Absence of Multicollinearity:**

Multicollinearity diagnostics showed tolerance values well above 0.10 and VIF values below the critical limit of 10. This indicates that Work Stress and Job Satisfaction are statistically independent predictors, allowing for reliable interpretation of regression coefficients.

**Non-Significant Effect of Work Stress:**

Partial t-test results demonstrated that Work Stress does not exert a statistically significant effect on employee performance ( $p > 0.05$ ). This suggests that variations in stress levels do not directly translate into measurable changes in performance within the studied context.

**Significant Positive Effect of Job Satisfaction:** Job Satisfaction emerged as a statistically significant and positive predictor of employee performance ( $p < 0.05$ ). Employees with higher satisfaction levels consistently exhibited superior performance outcomes.

**Dominance of Job Satisfaction in the Model:** The standardized regression coefficient for Job Satisfaction was substantially higher than that of Work Stress, indicating its stronger explanatory power in predicting employee performance. **Statistical Significance of the Regression Model:** The simultaneous F-test confirmed that Work Stress and Job Satisfaction jointly exert a statistically significant influence on employee performance ( $p < 0.05$ ). **Moderate Explanatory Power of the Model:** The coefficient of determination revealed that approximately 28% of the variance in employee performance is explained by the independent variables, suggesting the presence of additional influential factors beyond the scope of this study. **Primacy of Psychological Satisfaction over Stress Reduction:** The overall findings indicate that employee performance is more effectively enhanced through satisfaction-oriented organizational strategies rather than through stress mitigation alone.

**CONCLUSION**

Based on the empirical findings, it can be conclusively stated that work stress does not exert a statistically significant effect on employee performance. Although stress exhibits a positive regression coefficient, its influence is not strong enough to produce meaningful performance changes. Conversely, job satisfaction demonstrates a strong, positive, and statistically significant impact on performance, establishing it as the most influential predictor within the research model.

From a managerial perspective, these findings underscore the strategic importance of fostering job satisfaction as a pathway to performance enhancement. While stress management remains relevant for employee well-being, it should not be relied upon as a primary lever for improving performance outcomes. Instead, organizations should prioritize initiatives that enhance satisfaction, such as career development opportunities, recognition systems, participative decision-making, and supportive leadership practices.

Study affirms that employee performance is more strongly shaped by positive psychological and organizational conditions than by the mere absence of stress. By strategically investing in satisfaction-oriented human resource practices, organizations can achieve sustainable performance gains and long-term institutional effectiveness.

### **SUGGESTIONS**

- ✓ Organizations should prioritize job satisfaction–enhancing practices such as transparent promotion systems, fair compensation, and recognition mechanisms to improve employee performance.
- ✓ Although work stress was not a significant predictor of performance, proactive stress management initiatives should be maintained to safeguard long-term employee well-being.
- ✓ Management should encourage participative decision-making and open communication to strengthen employees' psychological engagement and satisfaction.
- ✓ Continuous feedback and performance appraisal systems should be refined to reinforce motivation and sustain performance excellence.

### **IMPLICATIONS OF THE STUDY**

- The study reinforces the theoretical importance of job satisfaction as a dominant determinant of employee performance.
- The non-significant role of work stress suggests that performance is influenced more by positive psychological factors than by stress reduction alone.
- From a managerial perspective, satisfaction-oriented human resource strategies are likely to yield superior performance outcomes.
- At the policy level, organizations should institutionalize employee-centric frameworks to promote sustainable productivity.

### **FUTURE SCOPE OF THE STUDY**

- Future research may include additional variables such as leadership style, organizational culture, and motivation to enhance explanatory power.
- Longitudinal study designs could be adopted to examine the dynamic relationship between stress, satisfaction, and performance over time.
- Comparative studies across different sectors or regions may provide broader generalizability of findings.
- Future investigations may explore mediating or moderating variables such as resilience or work–life balance.

### **REFERENCES**

1. Ahsan, N., Abdullah, Z., Yong Gun Fie, D., & Alam, S. S. (2009). A study of job stress on job satisfaction among university staff in Malaysia. *European Journal of Social Sciences*, 8(1), 121–131.
2. Bakotic, D. (2016). Relationship between job satisfaction and organisational performance. *Economic Research–Ekonomika Istraživanja*, 29(1), 118–130. <https://doi.org/10.1080/1331677X.2016.1163946>
3. Cooper, C. L., Dewe, P. J., & O'Driscoll, M. P. (2001). Organizational stress: A review and critique of theory, research, and applications. *Applied Psychology*, 50(1), 1–22. <https://doi.org/10.1111/1464-0597.00047>
4. Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction–job performance relationship: A qualitative and quantitative review. *Psychological Bulletin*, 127(3), 376–407. <https://doi.org/10.1037/0033-2909.127.3.376>
5. Massie, R. N., Aeros, W. A., & Rumawas, W. (2018). The influence of job stress on employee performance at the Manado IT Center Management Office. *Journal of Business Administration*, 6(2), 45–58.

6. Nurrohmat, A., & Lestari, R. (2021). Pengaruh kepuasan kerja terhadap kinerja karyawan. *Jurnal Riset Akuntansi*, 12(1), 82–95.
7. Podsakoff, N. P., LePine, J. A., & LePine, M. A. (2007). Differential challenge stressor–hindrance stressor relationships with job attitudes, turnover intentions, and performance. *Journal of Applied Psychology*, 92(2), 438–454. <https://doi.org/10.1037/0021-9010.92.2.438>
8. Rahmanda, N. R., & Verawati, D. M. (2022). Pengaruh lingkungan kerja terhadap semangat kerja karyawan. *Transekonomika: Akuntansi, Bisnis dan Keuangan*, 2(5), 259–270.
9. Sonnentag, S., & Frese, M. (2012). Stress in organizations. *Handbook of Psychology*, 12, 560–592. <https://doi.org/10.1002/9781118133880.hop212021>
10. Soetrisno, E. (2016). Job satisfaction and its effect on employee performance. *Journal of Human Resource Management*, 4(3), 15–25.
11. Spector, P. E., & Fox, S. (2002). An emotion-centered model of voluntary work behavior. *Human Resource Management Review*, 12(2), 269–292. [https://doi.org/10.1016/S1053-4822\(02\)00049-9](https://doi.org/10.1016/S1053-4822(02)00049-9)
12. Wartono, T., & Mochtar, S. (2015). Stress and performance in increasingly competitive work environments. *Jurnal Ilmiah Manajemen*, 2(2), 153–171.
13. Wirawan. (2015). The effect of organizational culture and job satisfaction on employee performance. *International Journal of Research in Business and Social Science*, 4(2), 1–11.
14. Yozgat, U., Yurtkoru, S., & Bilginoglu, E. (2013). Job stress and job performance among employees in public sector in Istanbul. *Procedia – Social and Behavioral Sciences*, 75, 518–524. <https://doi.org/10.1016/j.sbspro.2013.04.056>