

# Effect of Job Stress and Role Ambiguity on Job Satisfaction and Job Performance: Evidence from Insurance Companies

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**Abstract**—The purpose of this study is to assess the effect of job stress and role ambiguity on Job satisfaction and Job performance among employees from insurance companies. Job stress and Role ambiguity has a critical role to enhance employee job satisfaction and job performance. Due to its significant impacts on both to individual's and organization's performance, job stress and role ambiguity is crucial and has emerged as a major concern for companies. Hence the present study assesses the relationship between job stress, role ambiguity and its effects on job satisfaction and job performance. Also, the present study assesses the mediating role of Job Stress between Job performance on Job Satisfaction. A structured questionnaire was distributed to employees of Insurance Companies and about 210 valid responses were received. Convenience sampling technique was adopted for the study. Results of the study reveals that there is significant positive relationship between Role Ambiguity and Job Stress. Job Stress significantly mediates the relationship between job performance and Job Satisfaction. The findings of the study may enable that more the job stress the lower the job satisfaction. Employees who have lower job stress, they are much satisfied with their jobs and as a result of satisfaction they perform well and benefit their organizations as well. Limitations and future scope were also discussed in the study.

**Keywords:** Job stress, Role Ambiguity, Job satisfaction, Job performance, Insurance.

## 1. INTRODUCTION

In a highly competitive business environment, achieving employee job satisfaction is the vital task. Business organizations often witness, employee reporting job stress which in turn makes them disinterest towards work. Employee stress is a growing concern for organizations today. Stress can be defined as a state of wellbeing where people experience difficulties, opportunities, or losses of something they desire and their outcome is both unexpected and significant. Often in an organization or in any profession is oppressed because of work pressures, or environmental issues. This will lead to emotional, physical, and moral problems. Insurance companies often come across this situation, because, the job nature of insurance employees is very impatience as it involves long working hours, and lack of job independence, insufficient facilities and role of ambiguity, etc.

Insurance companies are in need to understand that the employees are satisfied with their job. Employee Job satisfaction becomes very crucial part for any insurance companies. In the organization many people are work for the sake of money and profit. If the employees are not satisfied with their work and feel stress on their jobs then it might negatively impact on the good will of insurance companies. Also, Employees who experience high levels of job stress may be more likely to experience burnout, feel fatigued, and have lower levels of engagement in their work. This, in turn, can lead to decreased job satisfaction and lower job performance.

In the recent past, Job stress is a growing problem, a large number of studies has revealed that job stress brings about severe effects on job satisfaction and job performance. Lack of role clarity is another important concern for insurance employees. Employees who don't understand the scope and parameters of their job are more likely to suffer from role ambiguity. Therefore, the objective of the study is to assess the effect of job stress and role ambiguity on job satisfaction and job performance.

## 2. LITERATURE REVIEW

Job stress can be defined as the physiological and psychological responses that result from an individual's perception of job demands exceeding their abilities, resources, or needs. Studies have consistently shown that high levels of job stress can negatively impact job satisfaction and job performance. Also, employees who experience high levels of job stress may be more likely to experience burnout, feel fatigued, and have lower levels of engagement in their work. This, in turn, can lead to decreased job satisfaction and lower job performance.

Muhammad Riaz, et al., (2016) defines the relationship between job stress and employee job satisfaction. His research found that the “employees are satisfied with their job and feels a little bit stress on their job. The organization should also provide the friendly and supportive environment to their employees. The different reward system like appraisal, compensation etc. are helps to increase the level of job satisfaction. The result of the research paper shows that job stress positively impacts on employee job satisfaction”. Clayton Michael Fonceca, et al.,(2022) found that the employee stress on the job performance, having low quality of life which resulted in them having low job performance. In order for the business to have excellent work quality and enhanced job performance, employee demands must be satisfied. Employees that need development and training to perform at a high level of productivity and who are having difficulties in their current roles”.

According to Diana Primasari et al.,(2015), Job stress and motivation affect employee performance In other words, the more stressed out an employee is, the worse their performance will be. Therefore, employers must make sure that employee stress levels are kept low. Thus, it is possible to maintain and enhance staff performance”. Muhammad Jehangir et al., (2011) found that higher levels of work-related stress can cause a greater reduction in job performance and job satisfaction”. Dr.V.VijayAnand et al.,(2018) highlights that the Job stress level among private sector insurance employees. Stress at work is linked to emotional instability, poor appraisal, and low self-esteem. The limited stress can help employees reach their full potential and perform better at work.

Role ambiguity refers to the extent to which an employee's job responsibilities and expectations are unclear. When employees are uncertain about their role, they may feel frustrated, confused, and unsure of what is expected of them. This can lead to decreased job satisfaction and lower job performance. Studies have found that role ambiguity is negatively related to job satisfaction and job performance, and that employees who experience role ambiguity are more likely to experience stress and burnout. Selma Kalkavan(2014) indicate that the “coaching behavior had a positive better understanding of the role by employees (role clarity), satisfaction with work, career commitment, performance of the employee at work and the organizational commitment. At the same time, it was specified that a clear perception by the employee about his/her role had a positive effect on the career commitment, organizational commitment and employee’s performance at work”.

Hatice Necla Keles(2016), highlighted that the Job satisfaction, in general, is the positive or negative attitudes of a person towards his/her job. In this context, positive spiritual status about one’s job will reveal job satisfaction, and negative attitudes towards one’s job will reveal job dissatisfaction. The significant relation of job satisfaction with the motivation and performances of the employees has increased the interest of organizations in this concept”.

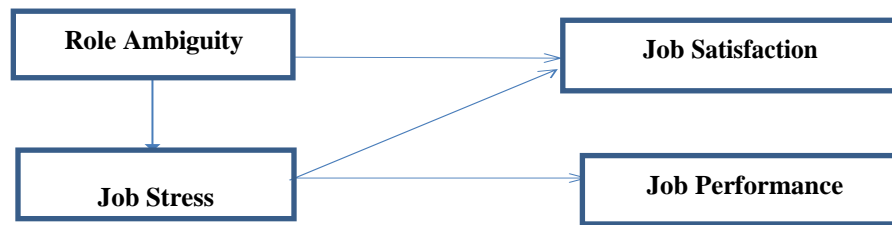
Dr. Pothuraju Vijaya Lakshmi(2017), indicates that “The job nature of employees is very impatience as it involves long working hours, inappropriate reward system, and lack of job independence, insufficient facilities and role of ambiguity. Most of the employees are not satisfied to his/her job because noise level was high which can be affecting the employee’s performance. Also highlighted that the Maximizing Job Performance in the future would be a part of company policy and be seen as an imperative strategy to target better employee satisfaction”. Ogolla Carol(2019), found in his study that the Good appraisal system improves the employee performance and motivation causing attainment of set goal by the firm. Robby Otieno Wyckliffe(2010), found that the Performance management is concerned with enhancing employee performance at work as well as providing them with satisfaction”.

Muhammad Arif Khattak(2011) ambiguity could exist inside the organization and also it is possible that ambiguity may exist inside the individuals own cultural experience. Rapid change increases the workforce pressure to perform better and enhance competitiveness. Individual has to perform and do multi tasks to keep one self-up to date to match with development in technologies. However, the changes which will improve the one dimension of the job satisfaction and may not be related to increase in job satisfaction in a different dimension”. Numerous studies have been undertaken on the idea of job stress majorly in insurance sectors. In this quest of research, it is observed that merely limited studies have been conducted on job stress especially in insurance sector. Therefore, the present study addresses the effect of job stress and role ambiguity on job satisfaction and job performance.

### 3. OBJECTIVES OF THE STUDY

- To study the relationship between Role Ambiguity and Job Stress.
- To assess the negative relationship between Role Ambiguity and Job satisfaction.
- To test the mediating role of Job Stress between Job performance on Job Satisfaction.
- To assess the negative relationship between job stress and job satisfaction.

#### 4. RESEARCH FRAMEWORK



#### 5. METHODOLOGY

A study adopted descriptive research design. Convenience sampling technique was adopted for the study. The target respondents of this study were employee of Insurance Company from Tamil Nadu. A structured questionnaire was distributed to employees of Insurance Companies and about 210 valid responses were received and taken for data analysis. Questionnaire items for the study variables has been adopted from Dr. V. Rengarajan & V.Jenifer (2020), Zayed et al, (2022), Marks et al.,; spijro & weitz, (2014).

#### 6. RESEARCH HYPOTHESIS

H1: There is positive significant relationship between Role Ambiguity and Job Stress.

H2: There is negative significant relationship between Role Ambiguity and Jobsatisfaction.

H3: Job stress mediates the effect of Job satisfaction and Job performance.

H4: Job Stress has negative relationship with job satisfaction.

#### 7. DATA ANALYSIS AND RESULTS

The collected responses were analysed using SPSS and PLS SEM tools. Out of 210 responses, about 64.3% were male and about 34.8% were female employees. With respect to age distribution of respondents, the table also shows that 94 (44.8%) of the respondents are 19-25 years. 77(36.7%) are within the age group of 26- 35 years, 38(18.1%) are within the age group of 36-45 years and 1(0.5%) are within the age group 46-54 years. Regarding education level, about 66.2% of employees are under graduate, 22.9% of employees are postgraduate. About 35% of employees are having 1-5 years of length of service, about 33% are having less than 1 year of service respectively. The reliability of the instrument was assessed using Cronbach alpha test and it was found that the instrument was reliable with a value of 0.896.

#### 8. DESCRIPTIVE STATISTICS

	N	Mean	St. Deviation	skewness		kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std.Error	Statistic	Std.Error
Job Stress	210	3.9362	.40608	.299	.168	.015	.334
Job Satisfaction	210	3.5400	.60967	-.298	.168	.609	.334
Job Performance	210	3.8705	.64946	-.297	.168	.081	.334
Role Ambiguity	210	3.8362	.60605	-.441	.168	.545	.334

#### 9. REGRESSION ANALYSIS

Regression analysis is done to determine which one of the independent variables contributes more to the outcome variable. Results of the regression analysis indicate that the R square value of Job stress is about 0.674 which indicates that about 67.4% of changes in the variable is explained by its predictors. Similarly, Job satisfaction is about 76.2%, and job performance is about 67% respectively.

#### 10. MEDIATING ANALYSIS

	T Statistics	SE	Estimate	Result
Role ambiguity ->Stress -> Performance	2.159	0.097	0.121	Supported
Role ambiguity ->Stress -> Satisfaction	1.739	0.053	0.061	Supported

From the above table it is evident that the job stress is mediating the role ambiguity and job satisfaction. This demonstrates a partial mediation of job stress in the relationship between role ambiguity and job satisfaction.

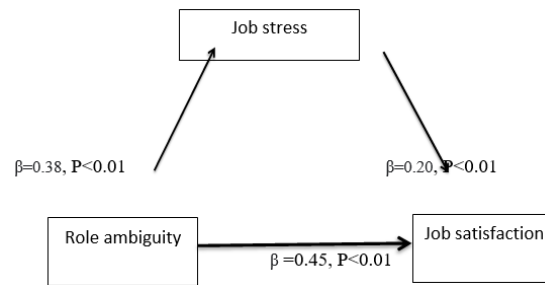


Fig. 1: Mediator 1

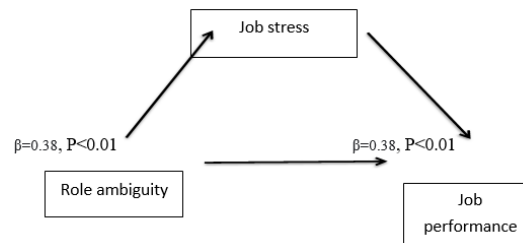


Fig. 2: Mediator 2

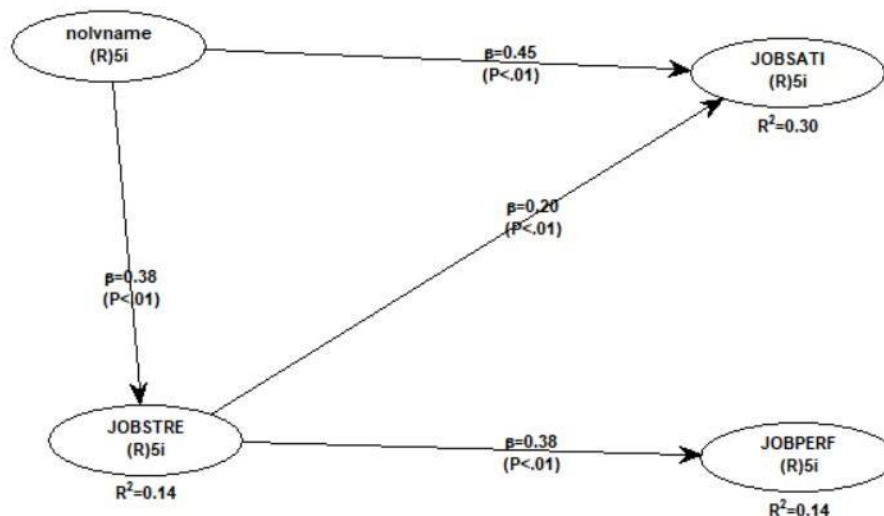


Fig. 3: Path analysis using wrap PLS 7.0

The result of mediation shows that the job stress is a significant predictor of role ambiguity with positive effect  $B=0.38$ ,  $p<0.01$ . Role ambiguity is a significant predictor of Job Satisfaction with positive effect,  $B=0.45$ ,  $P<0.01$ . Job Stress is also significant mediator for Job Performance  $B=0.38$ ,  $P<0.01$ .

## 11. RESULTS OF HYPOTHESIS TESTING

H1: There is positive significant relationship between Role Ambiguity and Job Stress.

According to the result of the study, there is a significant positive relationship between role ambiguity and job stress with ( $\beta=0.38$ ) and ( $p<0.01$ ). This means the Role ambiguity contributes more than 38% to job stress. Therefore it validate the H1.

H2: There is negative significant relationship between Role Ambiguity and Job satisfaction.

The result shows that role ambiguity found significantly related with job satisfaction. There is a significant negative relationship between role ambiguity and job satisfaction with ( $\beta=0.45$ ) and ( $p<0.01$ ). Hence accepting the hypothesis 2.

H3: Job Stress mediates the effect of Job performance on Job Satisfaction.

The hypothesis of mediation effect was used and the dependent variable is job satisfaction and the independent variable is job performance. The data which was collected from the respondents it was proved that the mediator Job Stress mediates the relationship of job performance and Job Satisfaction. The direct relation of job performance and job satisfaction has been supported by this study.

H4: Job Stress has negative relationship with job satisfaction.

According to the result the job stress has a significant negative relationship with job satisfaction with ( $\beta=0.20$ ) and ( $p<0.01$ ). this means the job stress contributes more than 20% to job satisfaction. So, accepting the hypothesis 4.

## 12. DISCUSSION AND INTERPRETATION

Job stress is a very substantial issue at workplaces So, this research is significantly emphasized on causes and effects of job stress and analyses its impact upon different variables like job satisfaction, job performance. The findings of the study showed that the Job stress, Role ambiguity, Job satisfaction, Job performance are in acceptable range and found to be a reliable one. There is positive relationship exists between the variable job stress and role ambiguity when the role ambiguity increased the job stress also increases and vice versa. If the employee has not clarity about his or her job then he or she will not be able to perform his or her job well and as a result job stress increases but if he or she will clear about everything related to job then stress decreases. The relationship of role ambiguity and job satisfaction was carried it was concluded that they have positive relationship and the regression analysis also support and the beta was positive, which means that role ambiguity and job satisfaction has positive relationship. The relationship of the variables was significant and according to the correlation and regression analysis, it has been concluded that the mediator (job stress) mediates between role ambiguity and job satisfaction. The job stress and job satisfaction have negative relationship and according to the regression analysis the study supports the hypothesis. The more the job stress the lower the job satisfaction. Employees who have lower job stress in any organizations, they are much satisfied with their jobs and as a result of satisfaction they perform well and benefit their organizations as well.

The study has been conducted among Insurance Company employees in Tamil Nadu. Uncertain role ambiguity makes workers stressed out and affects their ability to accomplish their jobs. To complete tasks precisely and satisfactorily, there are no rules or remedies to follow when workers were under stress at work, this would lead to job stress. Employees eventually feel stressed out at work due to the uncomfortable circumstances. Because it may result in job stress.

## 13. LIMITATIONS AND FUTURE RESEARCH SCOPE

The current study has certain limitations that need to be considered for future research The limitations of the study was that this study considered only few factors of job stress like role ambiguity, job satisfaction and job performance This study adopts cross sectional survey design. Future research can be done with a large sample size to better understand the impact of job stress and role ambiguity on job satisfaction and job performance.

## 14. CONCLUSION

The study aimed at determining how job stress and role ambiguity affect employee job satisfaction and job performance at Insurance Companies. Role ambiguity leads to job stress and job stress impacts the job satisfaction and job performance. By providing the clear role clarity to its employees, insurance companies may help the employees to get rid of job stress and increase job satisfaction and job performance. The results of the study are in line the evidences of literature, “the effectiveness of the organization will be impacted if individuals experience high levels of stress, confront role uncertainty at work, and have lower job satisfaction. The management should train the staff members to manage stress and achieve a high degree of job satisfaction in order to improve the performance of the workforce. Reward systems, could be enhanced further. Periodical reviews and feedback discussion with employees may be implemented to achieve greater job satisfaction and performance.

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