

## **How Detrimental is Job Stress? : A Case Study Of Executives in the Malaysian Furniture Industry**

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*Malaysia's furniture industry has undergone tremendous growth in recent years. The industry has also been much affected by the pervasive forces of globalization and by the persistent growth of information technology. These changes have in turn affected the way firms compete and specifically the way they are managed. The increased complexity and the imperative of global competition have exerted tremendous pressure on workers and thus imposed considerable stress on them. Thus, job stress becomes a common problem faced by employees in many organizations today. It affects employee's mental and physical health and in the long run affects company's performance. This study attempts to identify the sources of stress and its prevalence among executives in the furniture industry in Malaysia.*

Field of Research: Human Resource Management

### **1. Introduction**

Since the early 1990s, the spread of globalization and its attendant corollaries have begun to impact organizations far and wide. Among organizations in developing countries, the imperatives of globalization could no longer be ignored or circumvented. To these organizations, creating and sustaining competitive advantages through various forms and means have become a major preoccupation. Given this context of globalization and intensified competition, organizational employees are driven to perform beyond their routines. Employees are expected to learn the different cultures, languages and rules and regulations of international trade resulting in increased work loads, the pressure to enhance job skills and long working hours. Such changes in the nature of job, working environment and organizational behavior would undoubtedly increase the occupational stress of the workers, which in turn affects worker's physical and mental health. The mental and physical health effects of job stress are not only disruptive influences on the individual manager, but also a real cost to the organization. This cost is rarely and has not seriously been considered either in human or financial term by the

organizations. When this cost is incurred, it affects the day to day operations of the organization. It is therefore essential for organizations to find ways to maximize job satisfaction among employees and reduce job stress. To do so may require identification of the sources of stress as understanding the factors that contribute to job stress is necessary for improving stress management program in the organization. Job stress is indeed one of the most common forms of stress faced by organizational. A research paper by Manshor, Fontaine and Chong (2003) on multinationals in Malaysia found that there are significant differences among various groups of employees in the perception of stress.

## **1.1 Background of the Furniture Industry in Malaysia**

Sustainable forest management, ample supply of renewal timber from its forest plantations, trained labor and up-to-date technologies have enabled Malaysia's furniture makers to carve out substantial export business in wood-based products such as rubber wood, solid wood, and many others. Currently, Malaysia's furniture is widely accepted in major markets such as the United States, Japan, the United Kingdom and Singapore. Timber and timber based product contributed 5.2% of the total Malaysia's export in the first quarter of 2006 (Department of Statistics Malaysia, 2006). The Malaysian furniture industry has been changing rapidly while showing impressive growth. Furniture exports have grown at an average of 10% every year this past decade. The country is today the 15th most important exporter of furniture worldwide with exports reaching RM6.38 billion last year from RM5.78 billion in 2003. The Government expects furniture exports to jump by another 10 per cent to breach the RM7billion mark by the year 2008 (Department of Statistics, Malaysia, 2006).

Malaysia's furniture industry has been particularly affected by the global economy. The emergence of China as a factory of the world has much affected the price-sensitive market segments of the industry. Malaysia's furniture industry could not compete on the price factor and has been forced to refocus on mid and high end market segments through enhancement of design and market presence. A lot of emphasis has been placed on marketing of the products as a strategic move. However, there has been limited emphasis on human development in the Malaysian furniture industry. While human resources can be developed as a source of core competencies of the industry, a well managed human development program may help to increase performance and diminish job stress.

## **2. Literature Review**

### **2.1 Stress**

In the eighteenth and nineteenth centuries, stress is denoted as "force, pressure, strain, or strong effort", with reference now also to objects but still primarily to a person or person's organs on mental power (Hinkle, 1973). Continued and prolonged stress may result in fatigue, anxiety, tension and extreme irritability. If severe and prolonged it will result in exhaustion and may cause depression and anxiety (Seyle, 1946). Later studies of stress indicate more of person-fit environment rather than biological effect of stress as indicated by Seyle (1976). Stress is seen as

a dynamic condition in which an individual is confronted with an opportunity, constraints or reward related to what he or she desires for which the outcome is perceived to be both uncertain and important.

Mc Grath (1970) defines stress as a perceived substantial imbalance between demand and response capability, under conditions where failure to meet demand has important perceived consequences. It is also the closest to the popular 'person-environment fit' formulation by French (1974). Stress is always mistaken as bad, and negative. It must be noted that it has also a positive value. It is an opportunity when it affects potential gain (Boswell et al, 2006). Positive stress may result in stimulating and enhancing work performance. Excessive stress may result in negative effects and hence affect the worker's health and work performance. This directly affects the company's performance. A small amount of stress may positively encourage workers to work harder. An excessive stress may result in negative effect. Stress is also associated with constraints and demands. Constraints are forces that prevent individuals from doing what they design, where damage and to loss of something designed. Two conditions are important for potential stress to become actual stress (Schuler, 1980). There must be uncertainty over the outcome and outcome must be important.

## **2.2 Person-Environment Fit model of Stress**

French, Caplan and Harrison (1982) define person-environment fit theory as an assumption that people vary in their needs and abilities just as jobs vary in their incentives and demands. It identifies 8 dimensions in correlation to stress. they are job complexity, role ambiguity, responsibility for person, workload, overtime, income, length of service and education. Additionally, Landy and Trumbo (1976) found the following dimensions of stress: job insecurity, excessive competition, hazardous working conditions, and task demands, long or unusual working hours. Mc Grath (1976) lists the following six sources of stress: task, role, behavior setting, physical environment, social environment and characteristics which the person brings with him into the job. Lazarus, (1971) has emphasized that stress is also a result of a person's perception of the situation, his 'cognitive appraisal', which define it as stressful. Appley (1962) uses the term "threat perception" to designate this, the most important, link between objective circumstances and the human experience of stress. The environment-related categories found to be associated with stress are as follows:

### ***Factors Intrinsic to job***

Factors intrinsic to job are the foremost focus of researchers on stress. Stress can be cause by too much or too little work, time pressures and deadlines and having to make too many decisions (e.g. Sofer 1970). There has been a great deal of work linking working conditions of a particular job to physical and mental health. Kornhauser, 1960 found that poor mental health was related to unpleasant work conditions, the necessity to work fast and to expend a lot of physical effort and to excessive an inconvenient hours. Further, it must be noted that the more important stressors for managers than working conditions is work overload.

### ***Role in the Organization***

Another major source of stress is associated with a person's role at work. A great deal of research is on role ambiguity and role conflict. Role ambiguity is a result of employee's uncertainties and lack of information about job role, expectation and responsibilities. Kahn, Wolfe, Quinn, Snoek and Rosenthal (1964) found in their studies that men who suffered from role ambiguity experienced lower job satisfaction, high job related tension, greater futility and lower self esteem. On the other hand, role conflicts exist when the demand of the job differs from what he or she thinks of the job role and specifications. Wardwell, Hyman and Bahnson (1964) found that responsibility to people lead to higher symptoms of stress.

### ***Relationship at work***

This third major source of stress at work is referring to as the relationship with superior, subordinates and colleagues. Buck (1972) focused its study on the relationship of workers and managers. It found that lack of considerate behaviors of supervisor appears to have contributed significantly to feelings of job pressure. Another important role of manager is supervision of subordinates work. Managers who could not do so are consider lack of skills and this causes potential stress to the managers. Besides the obvious factors of office politics and colleague rivalry, stress can also be caused by lack of social support in difficult situations (Lazarus 1966). Colleague may or may not be helpful in difficult situations or helps are rendered, there are still elements of uncertainties.

### ***Career Development***

Two major cluster of this stressor are (1) lack of job security-fear of redundancy, obsolescence or early retirement and (2) status incongruity e.g. under – or over promotion, frustration at having reach one's career ceiling. For managers, career progression is the overriding importance as by promotion, it means it means not only earning more but enhanced status. As managers reach the ceiling, there is a fear of demotion or obsolescence or early retirement as managers have to keep up with technological changes over the years. Mc Murray (1973) noted that over-promoted are grossly overworking to keep the job and at the same time hide his insecurity. In addition, the technological change in the society means company hiring young and technological savvy personnel to fill such position. Unless the manager keeps up with such changes or he or she will be obsolete in the organization.

### ***Organizational structure and climate***

This fifth potential source of stress is simply being in the organization. French and Caplan (1970) found that people with greater opportunities for participation in decision making reported significant greater job satisfaction, low job related feelings of threat and higher feeling of self esteem. Margolis, Kroes, & Quinn found that non participation at work is most consistent and significant predictor of strain and job related stress. Lewin (1935) emphasized that human behavior was the result of interaction of the individual and the immediate psychological environment. The structural-technological studies of Burns and Stalker (1961) all incorporated

elements of organizational climate, of an objective nature such as span of control, rules and procedures, and hierarchy. Organizational climate are link to the interaction of human with the environment.

Litwin and Stringer (1968) defined organizational climate as a set of measurable properties of work environment as perceived directly or indirectly by people who live and work in the environment and are assume to influence their activities and behavior. Of all the measurement on organizational climate, the Litwin and Stringer (1968) instrument provides the closest match of the dimensions to those mentioned under environmental factors : Structure, Responsibility, Reward, Risk, Warmth, Support, Standards and Conflicts. Structure refers to as the feeling that employees about constraints, rules, regulations, procedures and red tape in the organization. Responsibility refer to as the feeling of being own boss, reward being the feeling of being rewarded for work done, risk being the feeling of riskiness and challenge of the job and warmth being the feeling of good fellowship that prevail in the organization. Support refers to the perceived helpfulness of managers and other colleagues and standards refers to the perceived important of implicit and explicit goals and performance standards. On the other hand, conflict is perceived as the feeling that managers and other workers want to hear different opinion. Identity is perceived as being the feeling that you belong to the organization, the valuable contribution and the importance placed.

### **2.3 Objective of the Study**

The general objective was to investigate the effect of job characteristics and the organizational working environment on the employee's stress in furniture industry. The specific objectives of the study are :

To identify how prevalent is the stress among managers and executives  
To study the major sources of stress among managers and executives  
To find the stress dimensions contributing to stress in the industry

### **3. Research Methodology**

Respondents were chosen randomly and the survey was conducted to collect primary data using self-administered questionnaire and personal interview of selected respondents only. The questionnaire comprises 4 sections; Section A: Sources of Work, Section B: Job Characteristics, Section C: Measurement of organization climate, and Section D: Demographic. The instrument used for measuring respondent sources of stress was adapted from Professor Cary Cooper (Work Stress Questionnaire, 1988) to allow respondents identify their sources of stress. The instrument for measuring job characteristics was adopted from the person-environment fit model Marshall and Cooper's Job Characteristics Questionnaires (1979). The instrument for measuring the organizational climate was adopted from Litwin and Stringer and modified by Thi (1988). The field research was conducted through personal interviews with managers and executives participating in the recent Malaysia International Furniture Fair 6<sup>th</sup> to 10<sup>th</sup> March 2007 and in Export Furniture Fair 4<sup>th</sup> to 8<sup>th</sup> March 2007. Out of 170 questionnaires given, 159 responded, representing a 94% response rate.

## 4. Discussion of Findings

### 4.1 Profile of Respondents

Most of the respondents are in the age group of 31 to 40 (34%) and 41 to 50 (31%). Among the respondents, the highest gender group is male which stands at 60.4% compared to female at 29.6%. On the ethnicity, 64.2% of the respondents are Chinese compared to Malay at 26.4%. Further, most of the respondents are married with or without children. The total married respondent stands at 58.50% (Married without children at 13.2% and married with children at 45.3%, this total up to 58.5%). On the education level, 41.5 % of the respondents have at least STPM/HSC/Certificate/Diploma. Majority at least 10 years of working experience (at 35.8%) and at least 3 to 6 years of length of services in the same company. The manufacturing and operation sector seems to have a high score of 24% of the respondents.

### 4.2 Reliability

The Cronbach's Alpha reliability test shows a score of 0.7 and above coefficients across the variables, and since the figure is considerably high, the data is then reliable for analysis.

### 4.3 Respondents' Feeling of Stress

Table 1 illustrates that 41.51% of the respondents neither agree nor disagree. However, by comparing the two total figures of agreement and disagreement, we noticed the overall perception of stress is high (35.9% agree that job is stressful compare to 22.7 disagree).

**Table 1 : Respondents' feeling of stress**

Overall I find my present job stressful	Frequency	%
Strongly disagree	6	3.77
Disagree	30	18.87
Neither Agree or Disagree	66	41.51
Agree	51	32.08
Strongly Agree	6	3.77
Total	159	100

### 4.4 Sources of Stress

From Table 2, "Unrealistic objectives" have a higher mean score of 3.29 followed by "Incompetent boss" at 3.21 and "time pressure and deadline" at 3.21. The high mean scores reflected negative perceptions and thus sources of stress to the respondents in the organization. Competition among organizations requires every firm to pursue innovations and find new technology, and thus necessitate management to construct new planning and improve objectives. Sometimes, the changes could be unrealistic. These changes can make the current employee skills

and experiences obsolete in short time and thus this innovation is a threat to many people and causes them stress. There is also the issue of organization leadership which represents the managerial style of organization's senior executives. Some leaders do not acquire the expertise, skills, nor the right knowledge to assist them in making good decisions. This could create cultures of fear, anxiety and tension among the subordinates and consequently, stress. There is also the issue of task and role demands of the organization on the personal job. It includes design of individual job, working conditions and the physical work layout. An excessive demand causes stress to worker. At times, individual is given more jobs than he or she can perform.

**Table 2 : Sources of stress**

	Mean	Std. Deviation
Unrealistic objectives	3.29	1.002
Time pressure and deadline	3.21	0.981
Incompetent boss	3.21	1.126
My relationship with my colleagues	3.11	0.854
Unsympathetic boss	3.00	0.935
Interpersonal relations	2.97	0.993
My relationship with my subordinates	2.89	1.019
Performance related compensation	2.89	1.079
Taking my work home	2.89	0.934

#### 4.5 Major Factors of Stress

The stepwise multiple regression analysis was used to test the relationship of overall stress level as dependent variables and the job and organizational climate characteristics as the independent variables. From the analysis, only 5 dimensions have been entered into the regression equation. They are support, adaptability, job security, conflict, and integrity. These 5 dimensions explained the variability in the overall stress level of employees. Nevertheless, by looking at the R-square value, all these factors when taken into consideration explained 25.7% of the variability in the level of stress.

**Table 3 : Predictor for Stress**

	Factor of Stress	Sig.*	Beta
A	Integrity	0.001	-0.441
B	Conflict	0.000	0.229
C	Job Security	0.005	0.320
D	Adaptability	0.008	0.218
E	Support	0.039	0.161

\*p<0.05

From Table 4, it can be concluded that stress are inversely related to integrity (Beta=-0.441), positively related to conflict (Beta=0.229), to job security (Beta=0.320),

adaptability (Beta=0.218) and support (Beta=0.161). Beta value closest to one would present the strongest correlation. In this study, Beta for stress relationship with integrity is highest, which implies that as integrity increases, stress would be reduced. Other predictors however, have lower correlation with stress.

## **5. Recommendations And Conclusion**

The research objective of the study was to provide an insight of the causes of stress among employees in the furniture manufacturing company in Malaysia. Overall the study indicated that 35.85% of the respondents feel they are stressful at work. The main sources of stress were unrealistic objectives, the issue of incompetent boss, time pressure and deadlines. From the study, the five major predictor of stressors found in the furniture industries are support, adaptability, job security, conflict, and integrity. These are all the potential elements affecting job stress. In addition, integrity has an inverse relationship and highest correlation towards stress. In order to stay competitive and cost effective, the management in the furniture industry has to be sensitive towards employee's perception. In the era of hyper competitiveness, every effort should be made to maximize our resources in order to stay competitive. Human resources are one of the strategic company resources which can help a company to move ahead of others. Individuals, particularly the organizational leaders need to take initiative to learn about themselves and their careers, to pick up new skills, to develop self motivation and acquire the expertise needed to make decisions. The breakdown of integrity among employers and employees can be a major cause of stress if not carefully monitored.

On the societal level, there is a need to make society and organization more humane and caring. More emphasis should be on fitting organizations to people and not the other way round. Company should provide greater economic security, and psychological security in the form of training in survival skills in today's fast-changing society. In terms of adaptability, stress management advice at organizational level may help the reduction of stress to a tolerable level. Person-environment misfit can be corrected either by placement, appraisal and training or job redesign, enlargement and rotation at organizational level. The ultimate hope of this study is to help the furniture industry to grow within the context of enhanced level of competitiveness brought about by the forces of globalization and advancement in information technology. It is hoped that the findings in this study are able to create awareness as well as help companies develop strategies for the development of their human resources.

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