# IMPACT OF PSYCHOLOGICAL STATUS OF EMPLOYEES ON EFFICACY IN ORGANISATIONS

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# ABSTRACT

Psychological well being is one of the most widely discussed topics and organizations are competing among themselves to improve the psychological well being of their employees. A mentally stable employee is an asset to any organization on the other hand, a person suffering from irrational psychological tendencies can prove to be a disaster, in this world of perfection and competency, it is becoming imperative for the organizations to develop a positive psychological environment where employees feel a sense of belonging to the organization and thus improve the overall efficacy and the productivity. This paper tries to review the existing literature and evaluate the contribution of psychological well being to job performance. Also this will give some recommendations on how to improve the psychological instabilities and overall productivity of an employee.

KEYWORDS: Psychological wellbeing; anxiety; depression; productivity

# INTRODUCTION

Poor health conditions at workplace can prove to be fatal for the efficient working of an organization, common health diseases like migraine, headache, and indigestion can have short term effects but mental conditions like depression, anxiety or stress disorders can go a long way in minimizing the efficiency if it goes unreported. According to a study conducted by the IDEA study of the London School of Economics and Political Science in 2017, Depression costs South Africa more than 5.7% of the country's GDP due to lost productivity - either due to absence from work or attending work while unwell. Depression causes problems with memory, and leads to procrastination, extreme fatigue, difficulty concentrating, anxiety, fear and panic which will add to work-related stresses, crippling the output from the employee. in the study conducted by 1to1Help.net, a professional counseling company on 'The Mental Health Status of Employees in Corporate India', Eighty percent of the respondents, who exhibited symptoms of anxiety, and 55 percent with symptoms of depression, were going through it for over a year before seeking professional help. The study observed that the number of people who came with the risk for suicidal behavior has gone up from 2.1 out of 10 (2008) to 8.21 (July 2016). Prolonged ongoing stress due to personal and work contexts was identified as triggers for mental illness. An Assocham study released last year revealed that 42.5 percent of employees suffer from depression. It said, "Because of demanding schedules, high-stress levels, and performance-linked perquisites in private sectors, nearly 42.5 percent of employees in private sectors are afflicted with depression or general anxiety disorder, compared to government employees with lesser levels of psychological demand at work.

## LITERATURE REVIEW

The focus of this study is to review the literature about the impact of stress on job performance of employees. It is therefore imperative to briefly review the impact of stress on human body that in turn

affects their job performance followed by review of literature on impact of stress on employees" job performance. The relevant review is presented hereunder

Thomas A. Wright (2000) carried out a research to examine the relative contribution of psychological wellbeing and job satisfaction to job performance, according to him, that well-being is a predictor of job performance, even when controlling for job satisfaction, age, gender, and tenure. These findings lend support to the basic proposition that "happy" workers often have higher performance but that "happiness" should be operationalized as psychological well-being. Judith (2004) conducted a research on Cost of Lost Productive Work Time Among US Workers With Depression, he found out that Workers with depression reported significantly more total health-related disorders than those without depression, Extrapolation of these survey results and self-reported annual incomes to the population of US workers suggests that US workers with depression employed in the previous week cost employers an estimated \$44 billion per year, an excess of \$31 billion per year compared with peers without depression. Paul Greenberg (2006) conducted a research on the workplace costs of mood disorders and found out that Bipolar disorder was associated with 65.5 and major depressive disorder with 27.2 lost workdays per ill worker per year. He further analyzed that the higher work loss associated with bipolar disorder than with major depressive disorder was due to more severe and persistent depressive episodes. Ron de Graaf (2007) did a research to estimate work loss days due to absenteeism and Presenteeism associated with commonly occurring mental and physical disorders, he concluded that about half of total work loss was absenteeism and half was reduced functioning. In line with other studies, lower socioeconomic status was a prominent demographic predictor of work loss Melanie K. Jones (2011) examined the determinants of employee job anxiety and work-related psychological illness and stated that psychological ill-health is more strongly related to factors relating to the job than worker characteristics. In particular, we find strong support that job anxiety is positively associated with job demands. M.Kotteeswari (2017) in his research showed that Majority of the employees agree that the job stress factors or job stress is affecting their Performance. They cannot concentrate on their work properly, Majority of the employees agree that they are experiencing stress in the work place irrespective of the gender. Cameron Montgomery (2018) did A Meta-analysis for Exploring the Diverse Causes and Effects of Stress in Teacher, he concluded that the strongest association of teacher stressors exists with negatively oriented emotional responses confirming the central role of teachers' coping mechanisms, personality mediators, and burnout potential.

## **RATIONALE OF STUDY**

This review was performed by searching and reviewing the articles and reports published in different journals and books largely between 1990 and 2014 with exception of few articles published before 1990. The key words used in these searches included stress, Stressors, Occupational Stressors, Factors of Stress, Job performance, Employee Performance etc. Manual search of bibliographies on related articles was also performed to identify the relevant literature. Scope of the studies reviewed in this article is limited to the impact of occupational stress (distress) on different aspects (dimensions) of job performance in work settings

#### **OBJECTIVES:-**

- 1. To study the relationship between psychological well being and efficacy of employee in an organization
- 2. To find out the means of improving the psychological well being of employees at workplace.

## **RESEARCH METHODOLOGY**

The data was collected from various secondary resources like research papers, research articles, journals, magazines and company records. No statistical tools have been used for carrying out this study.

### FINDINGS AND SUGGESTIONS

The common factors for depression in organizations include are Fear of losing job, below standard performance, termination of contract or low income, termination, disciplinary actions, and ongoing inquiries, Financial losses, huge debts, Unable to meet deadlines, Feelings of failure and unfairness, Job dissatisfaction, unhappy with the job location, job ambiguity and frustration, Harassment (sexual and nonsexual), Excessive burnout, emotional exhaustion, overwork, and sleep deprivation reports Jeremy Strands in his article published in year 2005. 1to1Help.net, a professional counseling company in India came out with a report that the ratio of patient to a psychiatrist is very low and therefore a counseling service at the workplace is a good idea. An atmosphere should be created where employees can talk to each other about their problems. If mental disorders go undetected and unaddressed, it will affect the morale, performance, and productivity of the team, and ultimately the company suffers. Companies should take initiatives to create a stress-free work environment by providing outlets for employees to voice their grievances and deal with their issues. An important question that organizations should ask is besides covering their employees' health insurances, is mental health insured too. One way of promoting wellbeing is to have workspaces that employees can engage with and feel comfortable in. Conversely, a poorly designed workspace can quash any green shoots of creativity, good performance, engagement and innovation. Look at workflows and patterns, sizes and locations of teams, desk ratios, use of technology and meeting rooms, facilities for mobile workers and provision of support/recreational spaces. A workspace that sounds, looks feels and smells great, and reflects the individuality of the people in it, while meeting business needs, will be more efficient and morale-boosting. Lawrence Robinson, Melinda Smith (2019) in their research article note that Part of preventative health involves giving your mind and body a break every now and then, and allowing your staff to miss work in order to recharge can help them stave off more serious health issues down the road. If you do notice an employee behaving differently (ex: irritability or low mood), don't hesitate to ask them if everything is alright. Even if they tell you they're fine, remind them that you're there to help and that they have access to assistive resources. The Healthy Ireland framework reported that the economic cost of mental health problems in Ireland is €11bn per year, much of which is related to loss of productivity which should send an alarming signal to world. Make sure the tools and resources are relevant. No matter how much information you supply your employees; it'll never do any good if it's outdated or irrelevant. In fact, it might even do harm. Frequently audit your mental health resources to make sure they're accurate, up-to-date, and contain practical advice that your employees can use to get better. Jenny Darmody in her article mentioned that Knowledge of how to deal with inner problems should be actively encouraged and provided in a proactive and pre-emptive manner. After all, what is the use of an employee with a healthy body and unproductive mind.

#### CONCLUSIONS

There is a lot of scope for improving the psyche of employees at workplace, a number of laws already exist to provide equality to employees at workplace like Equality Act, several framework and laws should be made to empathesize with people who feel any sort of mental instability. Collectively we can work to make our workplaces stress free and anxiety free. The benefits of a mental healthier environment can be reaped in form of less absenteeism and conflicts. Discussing about your illness to your confidantes can release you of burden and also help to improve your performance. Most important thing is to stop attaching stigma with mental illness to make people realize that disabilities are not mental.

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