

## Impact of Work Stress on Employee Retention

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### Abstract

Organizations are increasingly dealing with issues pertaining to employee retention and well-being in today's fiercely competitive and quickly changing business climate. Employee attitudes, performance, and long-term organizational commitment have all been found to be significantly impacted by work stress. Employee stress levels are raised by a heavy workload, role uncertainty, interpersonal issues, a lack of work-life balance, and job insecurity. Long-term stress raises burnout, lowers organizational commitment, lowers job satisfaction, and eventually increases turnover intentions. In order to investigate the direct and indirect effects of work-related stress on employee retention, this study creates a conceptual framework. It looks at moderating factors like social support and coping mechanisms as well as mediating factors like burnout, work satisfaction, and organizational commitment for businesses looking to lower stress and boost retention rates, the study offers management consequences and theoretical insights

**Keywords:** Work stress, Employee retention, Job satisfaction, Turnover Intention, Organizational commitment

## **I. INTRODUCTION**

One of the most important issues facing contemporary businesses is employee retention. Maintaining competitive advantage, cutting down on hiring expenses, and preserving productivity all depend on keeping knowledgeable and experienced workers. However, work-related stress has increased as a result of mounting organizational pressures and job demands.

When a person's ability to handle the demands of their job is exceeded, work stress results. Prolonged or extreme stress can have a detrimental impact on both people and businesses, even while moderate stress may improve performance. High-stress workers frequently exhibit diminished motivation, emotional tiredness, lower productivity, and increased absenteeism. Increased turnover intention and actual turnover result from this over time.

Understanding how work stress affects employee retention is therefore essential. This paper aims to explore the determinants of work stress and analyze their impact on employee retention through a structured conceptual framework.

### **Concept of Work Stress:**

The physical, psychological, and emotional strain that arises when an employee's capacity to handle job duties is exceeded is referred to as work stress. Numerous organizational and personal variables contribute to its emergence.

When high levels of stress are suffered for a prolonged period of time, a person can experience:

- Anxiety
- Depression
- Breathing difficulties
- Chest pains
- Blurred vision
- Heartburn and digestive problems
- Headaches
- Muscle tension and pain
- Increased risk of heart attack, high blood pressure, and stroke
- Sleep problems
- Weight gain

Principal Causes of Workplace Stress:

- An excessive amount of effort
- Role conflict and ambiguity
- Inability to manage work

- Ineffective leadership
- Uncertainty in employment
- Unbalanced work-life
- Conflicts between people.

Stress at work can be divided into: 1. \*Eustress (Positive Stress)\* - Encourages workers and boosts output. 2. \*Distress (Negative Stress)\* - Leads to decreased performance, anxiety, and burnout. Chronic stress has an impact on one's physical and emotional well-being as well as one's behavior at work. Fatigue, low morale, disengagement, and decreased job satisfaction are all possible outcomes for employees.

### **Concept of Employee Retention:**

Employee retention refers to the number of people who leave an organization over a period of time. This includes employees who leave their jobs voluntarily, involuntarily, or through resignation and redundancy. While a certain level of turnover is normal for the natural ebb and flow of an organization, there are times when these rates may become problematic.

When skills are scarce and recruitment is costly, the impact of losing valuable staff is felt across all areas of a business. It takes time, money, and resources to fill these positions – resulting in loss of productivity, reputational damage, and potential impact to customer relationships.

With organizations spending an average of £12,000 to replace a worker, it's clear to see why 36% of HR professionals believe that retention is a top priority for 2024, and for the foreseeable future.

High staff retention leads to:

- Reduced expenses for hiring and training
- Improved corporate culture
- Increased output
- A powerful employer brand

Employee retention is influenced by the following factors:

- Satisfaction at work
- A dedication to the organization Chances for professional advancement
- The manner of leading Benefits and compensation
- The workspace Work-life harmony.

### **Impact of Work Stress on Employee Retention:**

With employees nearly three times more likely to leave their current employer due to stress, it can't be denied that stress presents a key issue for HR leaders. However, this is an issue that HR leaders are well aware of, as 95% say that high levels of stress have a negative effect on retention rates and 46% cite stress as the main reason behind half of their annual employee turnover rate. 33% of staff report that high levels of stress impact their productivity 35% of employees have strongly considered switching employers because of stress 40% of all turnovers in the UK is due to stress

Work stress affects employee retention both directly and indirectly.

Direct Effect:

- A high level of stress raises the inclination to leave.
- Workers may quit in order to safeguard their physical and mental well-being.

Impact Indirectly: Stress at work decreases:

- Contentment at work
- Organizational dedication
- Engagement of employees

It increases:

- Burnout
- Emotional tiredness
- Absence from work

Employees experiencing prolonged stress are more likely to seek alternative employment opportunities. High attrition disrupts organizational stability and affects overall performance.

### **Conceptual Framework:**

Based on literature, the proposed conceptual model includes:

Independent Variable:

- Work Stress

Dependent Variable:

- Employee Retention

Mediating Variables:

- Job Satisfaction
- Burnout
- Organizational Commitment

Moderating Variables:

- Coping Strategies
- Social Support
- Leadership Support

The structure recommends: Burnout, job satisfaction, and organizational commitment are all impacted by work stress, which in turn affects employee retention. Stress's detrimental effects on retention are lessened by moderating factors.

**Proposition of the Study:**

P1: There is a substantial inverse association between work stress and employee retention.

P2: Workplace stress among employees is largely caused by organizational factors.

P3: Workplace stress and employee retention are mediated by job satisfaction.

P4: Workplace stress and employee retention are mediated by burnout.

P5: The association between retention and work stress is mediated by organizational commitment.

P6: Employee retention and work stress are moderated by coping mechanisms.

**Managerial Implication:**

Employee Assistance Programme - Our Employee Assistance Programme provides expert in-the-moment support when your people need it most. With a telephone helpline available 24/7, 365 days a year and access to face-to-face counselling, you can be sure that assistance is on hand for any stress-related issues your employees are facing.

Recommended strategies include:

- Workload management systems
- Flexible working hours
- Employee assistance programs
- Stress management training
- Supportive leadership practices
- Career development opportunities
- Wellness and mental health programs

Stress levels should be routinely evaluated by managers using questionnaires and feedback systems. Long-term commitment and loyalty are increased when a healthy work environment is established.

## **II. CONCLUSION**

One important aspect affecting employee retention is work-related stress. Overstress diminishes organizational commitment, raises burnout, and lowers job satisfaction, all of which contribute to increased departure rates. This paper's conceptual framework offers an organized method for comprehending the connection between employee retention and work-related stress. Effective stress management techniques boost long-term corporate success in addition to improving employee well-being.