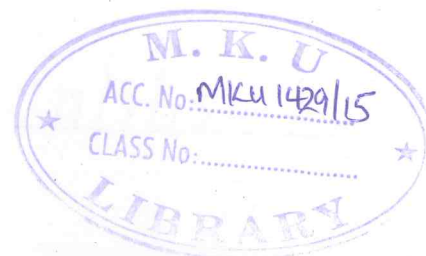


**EMPLOYEE STRESS AND PERFORMANCE OF PUBLIC HOSPITALS: A CASE  
STUDY OF MWINGI LEVEL 4 HOSPITAL**

**ESTHER N. LUKA**

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of Study

In recent years there has been considerable academic and practitioner interest in the relationship between stress and corporate performance. This has arisen out of the realization that stress is a threat to the wellbeing of individuals and that of the organization (Bloona, 2007). Whereas numerous studies have focused on stress and individual performance, researchers have gone further to propose a link between stress and corporate performance measures such as increased customer satisfaction, employee turnover, productivity, efficient use of resources, achievement of goals and quality objectives (Ahmad, 2009).

According to Sayeed (2001), stress also continues to jeopardize the health of organizations. Unhealthy organizational climates reduce employee involvement and negatively affect performance at the individual and corporate level. The experience of work and stress is certainly not new in Kenya. Kenyans continue to experience stress as a result of poor environmental conditions, political uncertainty, poor working conditions and extreme levels of poverty. Ngeno (2007) concurs and further points out those employees in Kenya have to contend with low salaries, lack of involvement in decision making, heavy workload, and few opportunities for promotion. Research conducted by Munali (2005) reveals that employees are reporting increased levels of stress which has led to poor health and consequently performance.

Globalization has left Kenyan suppliers facing stiff competition and aggressive cost cutting. Information technology has accelerated the speed at which business transactions can be performed and put pressure on the workforce to learn new skills and be more productive (Kenya National Bureau of Statistics, 2007). Previous studies (Elogovan 2001, Allen; Hurst, Bruck & Sutton, 2000; Kossek & Ozeki, 1998) have identified low organizational commitment, increased absenteeism and turnover as key employee stress aspects that continue to affect corporate performance negatively.