

Impact of Role Efficacy and Role Stress in Formal Organization

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ABSTRACT – “Basically, to lead without a title is to derive your power within the organization not from your position but from your competence, effectiveness, relationships, excellence, innovation and ethics.”

-Robin S. Sharma

The purpose of this study is to understand the impact of Role Efficacy as well as Role Stress amongst the formal organizations, within the insurance industry.

The role of an employee is a set of expectations about the ways in which people are expected to act, perform and behave in a given situation. In organizations roles are defined by the position a person holds. In this sense role also represents the asset of duties and responsibilities that a person has to fulfill under the given set of rights. Efficacy signifies the potential power of an individual to produce an effect. Role efficacy is about producing expected results by an individual in a role based on their his or her potential and sense of authority and accountability. Role stress is the psychological strain or pressure due to role expectation in an organization. Role stress can be due to role ambiguity, role overload and role conflict.

KEYWORDS – Role, Formal Organization, Role Efficacy, Role Stress, Dimensions of Role Efficacy, Insurance sector

The four letter word ‘ROLE’ is so commonly used by people that each one of us believed to be able to explain the concept of role however the understanding of role among common people and also among subject experts is largely influenced by their perception related to the term role.

In many studies authors have defined role in philosophical manner to link role with the ultimate purpose of being human. Some authors took a pragmatic and close to reality view point while defining role. Pragmatic view point describes how role can be characterized by the knowledge of given situation demanding role definition. ‘How is

society possible’ is the title of a classic book authored by Simmel and it discusses the importance of role for human being at individual level as well as for the society.

Organizations be large or small are the part of the society. Just like, in society people are bound to their social structure, in organization people are bound to their positions. Social structure and positions are the indicators of existence of various roles. It is therefore role provides a way of classifying positions across organizations and creates class impression among people across society. In context of organization role presents a system which helps to understand that in same or equivalent position, people can have invariably different roles. Roles are described by labels like manager, supervisor, mentor, and leader etc. to indicate position.

In society roles are labeled to indicate relationship like father, mother, brother and sister etc. Role beyond label can be used to explain the participation of individual in a relationship. In context of a process such as sales individual or organization can be in the role of customer and seller or in the process of production role of individual and organization can be in the role of supplier and producer.

Role in Organization

The concept of role in an organization is usually defined around positions and office of position. Each role has an inherent power. The power of role has been sourced to the office designated to fulfill the role and to the position in order to fulfill the expectations from the position. The less talked about side of role is related to the commitment and obligation that comes with the role. This aspect is more oriented toward the degree of possible self esteem and respect one can feel in a role. Thus, on one side, role can be an indicator of power while on the more serious side, role is the indicator of compulsion and responsibilities. Literature about role published in books connects

role with organization by using following two terms:

- Role Space
- Role set

These two terms have been defined to explain how organization can be viewed as a 'meta - system of roles' where role is a sub-system. The employee who has been assigned a role when perform define his/her role space while the performance of the same employee in an assigned role shall affect a large number of other such organizational roles that are directly or indirectly related to the employee. This productive assimilation of various roles within organization has been defined as role set.

Why Role is important in organization?

Since the present research study has been conducted in context of different kind of organizations dealing in insurance industry. Thus the definition of role in this study has been limited within the preview of a formal organizational set-up. In organizations the triad of positions, role and expectations is used to define role in a relational manner. Organization creates positions while implementing organizational chart and while establishing formal channel of communication.

In the formal set of an organization, the concept of role is highly significant because without role it would be almost impossible to imbibe individual within organization. No organization runs without objectives, strategy and structure. Likewise no individual can be found without a self-concept and requirements or needs. Self-concept of an individual is related to the personality. So in an organizational ecosystem role provides a kind of interface to integrate individual with organization. Organizational role offered to an individual ensure the fulfillment of personal needs and also fortification of personality.

It is important to quote that the characteristic of role space and role set are very useful in organization. Role space helps the organization in understanding the interrelationship between self and the variety of role its employees perform within and outside the organization. Since individuals carry multiple roles or in other words it can be said that individual in and outside organization deals with role set. In case of organization, the understanding of role set help in identifying the pattern of interrelationships between the key role of employee and his/ her other roles.

In organizational context role is the touch point that connect one employee with various functional and strategic part of organization. Role highlights the expectation based relationship of the

employee with other co-workers and superiors. In this way role can be considered as important concept for organization. The due consideration on role and role requirement can help the organization in improving organizational effectiveness. Role constructs get change with the change in work environment and competitive pressure. It is therefore organization should plan role audits and role re-designs exercises.

Role Efficacy

Role efficacy contribute as an important construct of various concepts related to organization and personnel management such as organization development, organizational effectiveness, organizational behavior, role conflicts, employee motivation etc. Effectiveness of role is directly linked to effectiveness of role occupant. Performing on a given role is affected by variety of factors such as individual's potential effectiveness and organization climate. The potential effectiveness of a person is defined as efficacy.

Three terms namely efficiency, effectiveness and efficacy are usually used interchangeably though these represent diverse thought about potential of an individual in different roles within and outside the organization. Efficiency is a measurement obtained by the comparison of output with input. Efficiency can be measured in terms of time and money. The ability of an individual to produce expected results and effects is termed as effectiveness. Efficacy signifies the potential power of an individual to produce an effect. Role efficacy is about producing expected results by an individual in a role based on the his or her potential and sense of authority and accountability. Role efficacy refers to the impending effectiveness of an individual when individual is a role occupant.

An appropriate blend of employee's potential and the role's expectations assure the overall effectiveness of the employee. Without holding desirable skills, knowledge, training and competence for a role, no employee can achieve even a minimum level of effectiveness. The design of role equally contributes in the effectiveness of the employee. Consider a case where an employee has not been assigned a role as per his/ her aptitude and proficiency then such a misfit may led to a situation of shocking results to failure of an employee in the assigned role .

Dimensions of Role Efficacy

Role efficacy is a latent construct of an employee that determines the degree of integration of the employee with his role. How much an

employee can contribute in a role can be anticipated based on the extent of clarity about role efficacy. There are various characteristic of role efficacy. The greater the clarity and understanding on more numbers of characteristics of role efficacy, greater would be the role efficacy. For the purpose of better perceptive and understanding characteristics of role efficacy have been clustered into following three dimensions which further in total are composed of ten sub-dimensions:

1. Role Making

Role Making refers to the participation of an employee in drafting and compiling a role. This dimension is important as actively high level of employee involvement in a role (role making) improve the degree of employee integration within the organization. The role making dimension is composed of following four sub dimensions:

- **Self role integration:** Role of an employee limit the scope to demonstrate skills, in case when such scope offered by a role is greater as compared to other roles then employee realize the importance of his skills in his role thus role efficacy is greater. In this way employee become more involved in role and it is termed as self role integration. Self role integration helps the employee in foreseeing opportunities that might come to his way if he utilizes his skills in performing role responsibilities.
- **Proactivity:** Each role represents a set of expectations from the employee who has been assigned the role. In most of the situations employees tends to more responsive to the expectations of the other colleagues and peer members. Seldom employees plan in advance to respond to the given responsibilities by themselves. Whenever employee plan as per his role without compulsion then such an initiative represent proactivity and greater degree of role efficacy.
- **Creativity:** Role efficacy is also echo from the way an employee chooses to fulfill his role demand. Creativity is one such aspect. If role allow the employee to solve problems and to do job in an exceptional and non routine then employees tends to be more creative and realize higher role efficacy.
- **Confrontation:** How an employee handle the situation of problem within the organization is also important from the view point of role efficacy. Confrontation indicate low role efficacy. Perusing collective problem solving even if it is a problem of personal nature but

affecting role then this approach is an indication of higher level of role efficacy.

2. Role Centering

Role centering is about how important a role for the success of organization. Some roles are more strategic as compare the various regular general management roles. In a way role offer an employee an opportunity to exercise some influence over the others. This finally led to high level of role efficacy. This description of role centering clearly indicates following sub dimensions of role centering:

- **Centrality:** All roles are not equally important hence role occupant remain under the influence of role assigned. Any important role as compared to other has possibility to enhance the level of role efficacy. One interpretation of this description is that while assigning a role to the employee, it is highly essential that employee should be brief about how important is the role for the growth of organization as well as for the employee.
- **Influence:** Power quotient of an employee has one link with how much a job is influential. Greater the role influence across organization, greater will be the role efficacy. Though, influence of a job depends on many factors such as obligations to be fulfilled, positional authorities and powers etc. Jobs of greater influence also improve level of motivation.
- **Personal Growth:** The perception of employee about opportunity of personal growth due to his role adds the role efficacy. Evaluation of the reasons causing an employee to quit the job discloses that the usual reason is better growth perspectives. It also means that the parent organization failed to make employee confident about the future growth prospects due to current role. An assurance about personal growth by the organization and linking growth opportunities with current role can increase role efficacy. The role that limits growth opportunity for employee will lead to decrease in the level of role efficacy.

3. Role Linking

Role linkage is the description of role in terms of its relationship with other function and activities within the organization. It also describe how a role is connected with the other roles and thus it explains the interdependency aspect of the role. It has following sub-dimensions:

- **Inter-role linkage:** Role efficacy is not stand alone aspect of a role and it is inter-linked with other roles. In this way role efficacy contribute

in generating synergy that further can improve the productivity of employees. Any disconnect among the members of a special purpose teams means that role efficacy of each one will reduce the overall role efficacy realization within the team. Thus inter-role linkage explains how role of one employee is connected with the role of the other employees.

- **Helping relationship:** Role linking dimension explain how a role can provide chance to get support and assistance from the other role and at the same it also describe how to facilitate help to the other roles. This sub-dimension is about facilitating help among employees and it is one of essential aspect of role. Any deprivation of opportunity to get help and support from others increases the risk of loneliness and this might further reduce role efficacy. Compulsion free tendency of providing help within system give strength to the interrelationship among various roles and there by improve role efficacy.
- **Superordination:** Superordination defines the bigger scope of role. Any roles that provide prospect to be valued by the people outside organization improve role efficacy level and also motivate employees. Superordination point out the higher magnitude of role in terms of the number of people it can serve.

Role Stress

Stress is an expression of a situation where usually people feel situations are dominating on their normal lives. Planning got disrupted and goals seem unachievable. Degree of complexity gradually increased to such a high level that now it started causing poor productivity and retired growth opportunities. Due to increased competitiveness in and around office and home people are either under over controlled life or no-control life situations and in both the cases stress is unavoidable.

The concept of stress refers to such a situation where one can feel strain and pressure. Role stress by the definition is the stress due to responsibilities and obligations associated with a role. As per research on stress, there could be three areas where stress can be felt. These three areas include Organization and Job role, society and within self. Role stress in a broader sense represents the totality of the all potential stress causing areas that are directly and indirectly related to a role within organization. Role ambiguity, role-goal disequilibrium, role conflict, identity threat etc. are some of the primary causes of role stress.

Stress is defined as forces that lead to the strain within the person due to disturbance in physical or psychological system. In the organization the role stress occurs whenever the employee has to create a balance between the various responsibilities and expected outputs and doing so a continuous failure arose. Some of research works define stress as a mental state characterized by behavioral disorder within person that ultimately started to affect the work performance.

Role stress has also been defined from the perspective of work-load and performance related expectations. When even a gap arise between expectations and actual performance then stress started in the form of 'being worry' any further failure to manage the anxiety caused by being worried will definitely led to stress.

Role stress is independent of nature of profession and position or in other words it can be said that role stress can arise at any position in any profession. Some of the post and during stress symptoms include work burn out, higher tendency to get absent, long breaks during working days and tendency to switch career. It has been discussed that there is a requirement of some stress for performance and creativity such a stress is known as 'eustress' while the stress that led to unmanageable overwork and affect productivity is termed as 'distress'.

Summarizing Role, Role Efficacy and Role Stress

The role of an employee is a set of expectations about the ways in which people are expected to act, perform and behave in a given situation. In organizations roles are defined by the position a person holds. In this sense role also represent the asset of duties and responsibilities that a person as to fulfill under the given set of rights. Broadly roles may be prescribed or ascribed. Some roles are prescribed which means there are roles that are associated with a specific position or with a group or team or organization (Waddar&Aminabhavi, 2012).

Various roles are defined as ascribed roles. These are the roles that is due to a title usually confer by the society on the basis of factors that gradual behavioural pattern and these have nothing to do with gender, religion, age, education etc. Management roles are closely allied to the class of prescribed roles. Management roles include business decisional role, managerial role, informational role and job role. Out of all these different roles, the job role is very important for the employee and also for the organization. The job

role is a description or explanation of what an employee does in a given position within and if required outside the organization. In organizational set up the job role is better communicated by job title. Research in the area of business psychology, organization behaviour, human resource development, organizational development and other related areas it has been found that roles are compilation diverse activities which permit an employee to use one or more business situation of the organization hence an employee can be an affiliated with multiple number of management roles or multiple number of employees can be on the same management role.

An article published in Harvard Business Reviews (Erickson, 2012) summarize that successful collaborations and organizations are those where each employee' role was clearly defined. As per the author defining individual roles impacted on the success of the team. Failure in the role clarity leads to waste of time, energy and unproductive work. The performance of an employee in organization affected by his/her possible efficiency, technological capability, competency, managerial understanding beside the design of the role that the employee performs. The individual capabilities and appropriate job design determine the productivity of the employee. Role efficacy has come out as a practical and important concept in management research. Role efficacy is the potential effectiveness of an individual occupying a specific role in the organization. Previous researchers have found that role efficacy affect the employee's motivation, job satisfaction, organizational effectiveness and commitment toward organization. These results help in making positive contribution to organization growth and development. Higher role efficacy also enhanced effectiveness of the employees in the job role as a results it increase motivation of employees. The research studies found that role efficacy is a major contributor in the effective performance of employees.

Role stress is the psychological strain or pressure due to role expectation in an organization. Role stress can be due to role ambiguity, role overload and role conflict. Previous research work suggested that role stress has harmful effects on the various important work and performance related areas of an employee. In Indian literature on role stress, UdaiPareek identified that role stress has a link to two role systems. One is role space conflict and second is role set conflict. Role space represents the relationship between the number of different roles an employee serve and him.