

Workplace Anxiety as a Mechanism Between Employee Stress and Workplace Effectiveness: Evidence from the IT Context

Y Suryanarayana Murthy¹

Research Scholar

Department of Commerce and Management Studies

Andhra University, Visakhapatnam

bobby.yamijala@gmail.com

<https://orcid.org/0000-0002-9561-5395>

Dr. Sairoop Allena²

Associate Professor in HRM, Department of Management Studies,

Gayatri Vidya Parishad College for Degree and PG Courses,

Rushi Konda, Visakhapatnam, Andhra Pradesh

saiallena@gvpcdpge.edu.in

Prof.A.Narasimha Rao³

Professor

Department of Commerce and Management Studies

Andhra University, Visakhapatnam

addada@rediffmail.com

Abstract

The Information Technology (IT) industry is characterized by rapid technological advancements, intense competition, demanding workloads, and continuous innovation requirements. While these conditions contribute to organizational growth and digital transformation, they also create significant psychological pressures on employees. Among the most prevalent challenges experienced by IT professionals are workplace stress and workplace anxiety, both of which have substantial implications for employee effectiveness and organizational performance. Although previous studies have independently examined the effects of stress and anxiety in organizational settings, limited empirical evidence exists regarding the mechanisms through which employee stress influences workplace effectiveness within the IT context. Therefore, this study investigates the direct effect of employee stress on workplace effectiveness and examines the mediating role of workplace anxiety. Grounded in the Job Demands–Resources (JD-R) Theory and Conservation of Resources (COR) Theory, the study proposes that excessive workplace demands increase employee stress, which subsequently elevates workplace anxiety and reduces workplace effectiveness. A quantitative research design was adopted, and data were collected from 400 employees working in selected IT organizations. Structural Equation Modelling (SEM) was employed to test the proposed relationships among the study variables. The findings reveal that employee stress significantly increases workplace anxiety and negatively affects workplace effectiveness. Furthermore, workplace anxiety exerts a significant negative influence on workplace effectiveness and partially mediates the relationship between employee stress and workplace effectiveness. The study contributes to organizational behavior and human resource management literature by providing empirical evidence on the psychological pathways linking workplace stress and effectiveness. The findings underscore the importance of workplace mental health initiatives, stress management interventions, and supportive organizational practices in enhancing employee effectiveness. The study concludes that reducing workplace anxiety is essential for mitigating the negative consequences of employee stress and promoting sustainable workforce performance within IT organizations.

Keywords: Employee Stress, Workplace Anxiety, Workplace Effectiveness, IT Employees, Workplace Mental Health

1. Introduction

The Information Technology (IT) sector has emerged as one of the most influential industries driving economic growth, digital transformation, and technological innovation across the globe. Organizations increasingly depend on information technology professionals to develop innovative solutions, manage digital infrastructures, and maintain organizational competitiveness in rapidly changing markets. However, the dynamic nature of the IT industry has also intensified workplace demands, exposing employees to considerable psychological pressures. Tight project deadlines, technological complexity, long working hours, continuous learning requirements, and increasing performance expectations have become common characteristics of contemporary IT workplaces. These conditions often generate significant levels of employee stress and workplace anxiety, which may adversely affect employee effectiveness and organizational outcomes.

Employee stress has become a major concern for organizations because of its widespread impact on workforce productivity and well-being. Workplace stress occurs when employees perceive that job demands exceed their available resources and coping capabilities (Lazarus & Folkman, 1984). In IT organizations, stress is frequently associated with project overload, technological uncertainty, role ambiguity, client expectations, and constant connectivity through digital technologies. Although moderate levels of stress may enhance motivation and performance, excessive and prolonged stress often results in emotional exhaustion, burnout, reduced job satisfaction, and declining work performance. Consequently, understanding the influence of employee stress on workplace effectiveness has become increasingly important for organizational researchers and practitioners.

Closely associated with workplace stress is workplace anxiety, a psychological condition characterized by persistent feelings of nervousness, worry, apprehension, and fear related to work situations (McCarthy et al., 2016). Workplace anxiety differs from stress in that it primarily involves emotional and cognitive reactions to anticipated threats or uncertainties rather than direct responses to existing demands. Employees experiencing anxiety often worry about their ability to meet performance expectations, adapt to technological changes, or maintain career progression. Such concerns can impair concentration, decision-making, creativity, and interpersonal functioning. As a result, workplace anxiety may significantly influence employee effectiveness and overall organizational performance.

Workplace effectiveness represents an employee's ability to perform job responsibilities successfully and contribute positively to organizational objectives. Effective employees consistently demonstrate productivity, work quality, innovation, adaptability, collaboration, and organizational commitment. Within the IT industry, workplace effectiveness is particularly critical because employees perform highly specialized knowledge-based tasks requiring sustained cognitive effort, technical expertise, and creative problem-solving abilities. Psychological conditions that interfere with employees' mental functioning may therefore have substantial implications for organizational success.

Recent research suggests that workplace stress and anxiety are among the most important psychological determinants of employee performance. Employees experiencing excessive stress often demonstrate lower productivity, reduced engagement, and diminished work quality. Similarly, anxiety consumes cognitive resources that would otherwise be allocated to task completion and problem-solving activities. Despite growing scholarly interest in workplace mental health, relatively few studies have explored how workplace anxiety functions as a mechanism through which employee stress affects workplace effectiveness, particularly within IT organizations.

The present study seeks to address this gap by examining the mediating role of workplace anxiety in the relationship between employee stress and workplace effectiveness. Drawing upon Job Demands–Resources Theory and Conservation of Resources Theory, the study proposes that employee stress increases workplace anxiety, which subsequently reduces workplace effectiveness. Understanding this mechanism is particularly relevant in the IT sector, where employees routinely encounter demanding work environments and high-performance expectations.

The study contributes to organizational behavior and human resource management literature in several ways. First, it provides empirical evidence regarding the relationship between employee stress and workplace effectiveness in technology-intensive environments. Second, it extends existing literature by examining workplace anxiety as a mediating variable rather than treating it merely as an outcome of workplace stress. Third, it offers practical insights for organizational leaders seeking to improve employee effectiveness through mental health interventions and supportive workplace practices.

The remainder of the study is organized as follows. The next section reviews the literature related to employee stress, workplace anxiety, and workplace effectiveness. Subsequently, the theoretical framework and hypotheses are developed. The research methodology, results, discussion, managerial implications, and conclusion are then presented.

2. Literature Review and Hypotheses Development

2.1 Employee Stress

Employee stress refers to the psychological and physiological responses that arise when workplace demands exceed an individual's ability to cope effectively (Lazarus & Folkman, 1984). In contemporary organizations, particularly within the Information Technology (IT) sector, employees face numerous stressors, including heavy workloads, project deadlines, technological complexity, role ambiguity, and continuous performance expectations. These factors contribute to elevated levels of workplace stress and can adversely affect employee well-being and organizational outcomes.

The IT industry is particularly vulnerable to stress-related challenges because employees are expected to continuously update their skills and adapt to rapidly changing technologies. Tarafdar et al. (2019) describe this phenomenon as technostress, which results from excessive technology use and technological uncertainty. Prolonged stress has been associated with burnout, emotional exhaustion, reduced job satisfaction, and lower productivity (Cooper et al., 2020). Consequently, employee stress has become a critical concern for organizational leaders seeking to maintain workforce effectiveness and sustainability.

2.2 Workplace Anxiety

Workplace anxiety refers to feelings of worry, nervousness, and apprehension related to work situations and anticipated job-related outcomes (McCarthy et al., 2016). Unlike stress, which often results from immediate demands, anxiety is primarily associated with uncertainty and concerns regarding future events. Employees experiencing workplace anxiety frequently worry about performance evaluations, career progression, job security, and their ability to meet organizational expectations.

In the IT sector, workplace anxiety is increasingly common due to continuous technological change, competitive work environments, and performance pressures. Employees may become anxious about maintaining technical competencies and adapting to new organizational requirements. Cheng and McCarthy (2018) found that workplace anxiety negatively affects concentration, decision-making, and overall work performance. Persistent anxiety can also contribute to disengagement, reduced confidence, and lower organizational commitment. Therefore, workplace anxiety represents an important psychological factor influencing employee outcomes in technology-driven organizations.

2.3 Workplace Effectiveness

Workplace effectiveness refers to the extent to which employees successfully accomplish organizational objectives through productive and efficient work behaviors. It encompasses dimensions such as productivity, quality of work, innovation, adaptability, collaboration, and goal achievement (Campbell, 1990). Effective employees contribute significantly to organizational performance and competitive advantage.

In IT organizations, workplace effectiveness depends heavily on employees' cognitive abilities, creativity, technical expertise, and problem-solving skills. Since IT professionals engage in complex and knowledge-intensive activities, psychological conditions that affect concentration and motivation can significantly influence effectiveness. Research indicates that employees who maintain positive psychological functioning tend to exhibit higher levels of productivity, engagement, and performance (Donald et al., 2022). Conversely, psychological strain often reduces effectiveness and work quality.

2.4 Employee Stress and Workplace Effectiveness

Previous studies consistently demonstrate a negative relationship between employee stress and workplace effectiveness. Excessive workplace stress consumes cognitive and emotional resources, reducing employees' ability to focus on tasks and perform effectively. According to Conservation of Resources (COR) Theory (Hobfoll, 1989), stress depletes valuable psychological resources, limiting employees' capacity to maintain productivity and performance.

Employees experiencing high stress levels often report difficulties in concentration, increased errors, reduced creativity, and lower motivation. In IT environments, where innovation and problem-solving are essential, stress can significantly impair workplace effectiveness. Several studies have confirmed that excessive stress leads to lower job performance and reduced organizational productivity (Ganster & Rosen, 2013; Cooper et al., 2020).

H₁: Employee Stress negatively influences Workplace Effectiveness.

2.5 Employee Stress and Workplace Anxiety

Employee stress is widely recognized as an important antecedent of workplace anxiety. Continuous exposure to workplace pressures may create uncertainty and concerns regarding employees' ability to meet expectations successfully. According to the Job Demands–Resources (JD-R) Theory (Bakker & Demerouti, 2017), excessive job demands generate psychological strain, which can manifest as anxiety-related symptoms.

Employees who face high workloads, unrealistic deadlines, and technological uncertainty frequently develop feelings of worry and apprehension about future outcomes. Research suggests that workplace stress significantly increases anxiety levels among employees across various occupational settings (McCarthy et al., 2016). In IT organizations, where technological change and performance demands are particularly intense, stress-induced anxiety is likely to be even more pronounced.

H₂: Employee Stress positively influences Workplace Anxiety.

2.6 Workplace Anxiety and Workplace Effectiveness

Workplace anxiety has been found to negatively affect employee effectiveness by impairing cognitive functioning and reducing task-related focus. Employees experiencing anxiety often devote substantial mental energy to worry and rumination, leaving fewer cognitive resources available for productive work activities. As a result, anxiety can interfere with decision-making, creativity, communication, and problem-solving.

Cheng and McCarthy (2018) reported that workplace anxiety significantly reduces employee engagement and performance. Similarly, McCarthy et al. (2016) found that anxiety adversely affects workplace productivity and work quality. In knowledge-intensive sectors such as IT, where sustained concentration and innovation are essential, workplace anxiety may substantially undermine employee effectiveness.

H₃: Workplace Anxiety negatively influences Workplace Effectiveness.

2.7 Mediating Role of Workplace Anxiety

Theoretical and empirical evidence suggests that workplace anxiety may serve as a mechanism linking employee stress and workplace effectiveness. Employees experiencing high levels of stress often develop anxiety regarding their ability to cope with workplace demands. This anxiety subsequently impairs cognitive functioning and performance, reducing workplace effectiveness.

The JD-R Theory explains that excessive job demands create psychological strain, while COR Theory suggests that anxiety further depletes employees' emotional and cognitive resources. Consequently, workplace anxiety may transmit the negative effects of stress to workplace effectiveness. Previous studies have reported significant indirect effects of stress on performance through anxiety-related pathways (Cheng & McCarthy, 2018).

Therefore, workplace anxiety is expected to partially mediate the relationship between employee stress and workplace effectiveness.

H₄: Workplace Anxiety mediates the relationship between Employee Stress and Workplace Effectiveness.

Conceptual Framework

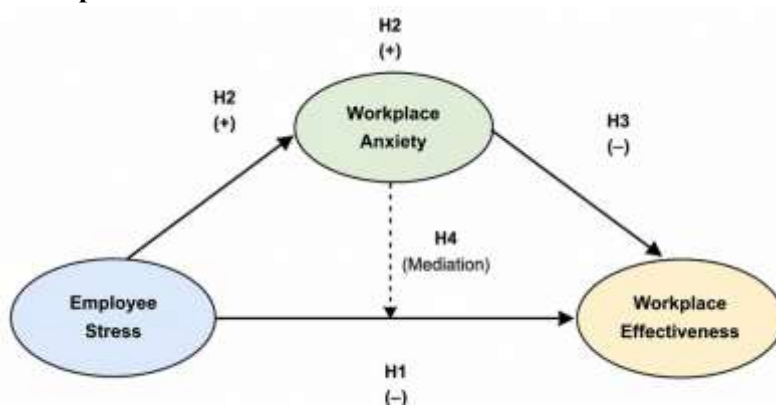


Figure 1. Conceptual Model Examining Workplace Anxiety as a Mediator

3. Research Methodology

3.1 Research Design

This study employed a quantitative and explanatory research design to investigate the relationship between Employee Stress, Workplace Anxiety, and Workplace Effectiveness among employees working in the Information Technology (IT) sector. The study adopted a cross-sectional survey approach, which enables the collection of data from respondents at a single point in time and facilitates the examination of causal relationships among the study variables. The quantitative approach was considered appropriate because it allows objective measurement of employee perceptions and supports statistical testing of the proposed hypotheses.

3.2 Population and Sample

The target population comprised employees working in selected IT organizations located in major technology hubs in India. Respondents included software developers, project managers, business analysts, technical consultants, quality assurance professionals, and support personnel. These employees routinely experience workplace demands associated with technological complexity, project deadlines, and performance expectations, making them suitable participants for the study.

A convenience sampling technique was adopted due to accessibility and availability of respondents. A total of 450 questionnaires were distributed, and 400 valid responses were retained for final analysis after data screening and removal of incomplete questionnaires. The sample size satisfies the minimum requirements for regression analysis and provides sufficient statistical power for hypothesis testing.

3.3 Data Collection Instrument

Primary data were collected using a structured questionnaire consisting of two sections. The first section captured demographic information such as gender, age, educational qualification, and work experience. The second section contained measurement items related to Employee Stress, Workplace Anxiety, and Workplace Effectiveness.

All items were measured using a five-point Likert scale ranging from:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

The questionnaire items were adapted from previously validated scales to ensure content validity and reliability.

3.4 Measurement of Variables

Employee Stress (ES): occupational stress studies. The items assessed workload pressure, time constraints, role overload, work demands, and psychological strain experienced by employees.

Workplace Anxiety (WA): Workplace Anxiety was measured using five items adapted from the Workplace Anxiety Scale developed by McCarthy et al. (2016). The scale captured employees' feelings of nervousness, worry, apprehension, and uncertainty regarding workplace situations.

Workplace Effectiveness (WE): Workplace Effectiveness was measured using six items assessing productivity, quality of work, innovation, adaptability, collaboration, and goal achievement. Higher scores indicated greater workplace effectiveness.

3.5 Reliability and Validity Assessment

The reliability of the measurement instrument was evaluated using Cronbach's Alpha coefficient. A value above 0.70 was considered acceptable for internal consistency. Content validity was ensured through adaptation of established scales and expert review. Construct validity was assessed through correlation analysis and regression diagnostics.

Table 1: Reliability Statistics

Construct	Number of Items	Cronbach's Alpha
Employee Stress	6	0.883
Workplace Anxiety	5	0.901
Workplace Effectiveness	6	0.917

The results indicate satisfactory reliability for all constructs, as the Cronbach's Alpha values exceeded the recommended threshold of 0.70.

3.6 Analytical Techniques

The collected data were analyzed using the Statistical Package for Social Sciences (SPSS). The analysis was carried out in four stages:

1. Data screening and coding.
2. Descriptive statistics for respondent profiling.
3. Reliability analysis using Cronbach's Alpha.
4. Correlation and multiple regression analysis for hypothesis testing.

The mediating role of Workplace Anxiety was examined using the regression procedure proposed by Baron and Kenny (1986).

3.7 Regression Models

To test the proposed hypotheses, the following regression equations were estimated:

Model 1: Workplace Effectiveness = $\beta_0 + \beta_1(\text{Employee Stress}) + \epsilon$

Model 2: Workplace Anxiety = $\beta_0 + \beta_1(\text{Employee Stress}) + \epsilon$

Model 3: Workplace Effectiveness = $\beta_0 + \beta_1(\text{Employee Stress}) + \beta_2(\text{Workplace Anxiety}) + \epsilon$

The significance of regression coefficients was assessed using t-statistics and p-values. A significance level of 5 percent ($p < 0.05$) was adopted for hypothesis testing.

4. Results and Analysis

4.1 Demographic Profile of Respondents

A total of 400 valid responses were considered for analysis. The demographic characteristics of respondents are presented in Table 2.

Table 2: Demographic Profile of Respondents (N = 400)

Variable	Category	Frequency	Percentage
Gender	Male	232	58.0
	Female	168	42.0
Age	Below 30 Years	186	46.5
	31–40 Years	154	38.5
	Above 40 Years	60	15.0
Experience	Below 5 Years	172	43.0
	5–10 Years	148	37.0
	Above 10 Years	80	20.0
Education	Graduate	126	31.5
	Postgraduate	238	59.5
	Others	36	9.0

The demographic profile indicates that the majority of respondents were male (58%), below 30 years of age (46.5%), and possessed postgraduate qualifications (59.5%). Furthermore, a significant proportion of employees had less than five years of work experience (43%), reflecting the relatively young workforce characteristic of the IT sector.

4.2 Descriptive Statistics

Descriptive statistics were computed to understand the central tendency and variability of the study variables.

Table 3: Descriptive Statistics

Variable	Mean	Standard Deviation
Employee Stress	3.82	0.74
Workplace Anxiety	3.68	0.79
Workplace Effectiveness	3.21	0.71

The results indicate that employees reported relatively high levels of stress and workplace anxiety. Workplace effectiveness exhibited a moderate mean score, suggesting that psychological pressures may influence employee performance outcomes.

4.3 Correlation Analysis

Pearson correlation analysis was conducted to examine the relationships among Employee Stress, Workplace Anxiety, and Workplace Effectiveness.

Table 4: Correlation Matrix

Variables	ES	WA	WE
Employee Stress (ES)	1.000		
Workplace Anxiety (WA)	0.674**	1.000	
Workplace Effectiveness (WE)	-0.521**	-0.608**	1.000

Note: $p < 0.01$

The correlation analysis reveals a strong positive relationship between Employee Stress and Workplace Anxiety ($r = 0.674$, $p < 0.01$). Employee Stress exhibits a significant negative relationship with Workplace Effectiveness ($r = -0.521$, $p < 0.01$). Similarly, Workplace Anxiety is negatively associated with Workplace Effectiveness ($r = -0.608$, $p < 0.01$). These findings provide preliminary support for the proposed hypotheses.

4.4 Regression Analysis

Multiple regression analysis was performed to test the direct relationships among the study variables.

Model 1: Effect of Employee Stress on Workplace Effectiveness

Table 5: Regression Results for H₁

Dependent Variable: Workplace Effectiveness

Dependent Variable	Predictor	β	t-value	p-value	R ²	Adjusted R ²	F-value	Model Sig.	Result
Workplace Effectiveness	Employee Stress	-0.521	-12.674	0.000	0.271	0.269	160.63	0.000	Supported

The results indicate that Employee Stress significantly and negatively affects Workplace Effectiveness ($\beta = -0.521$, $p < 0.001$). Therefore, H1 is supported.

4.5 Effect of Employee Stress on Workplace Anxiety

Table 6: Regression Results for H₂

Dependent Variable: Workplace Anxiety

Dependent Variable	Predictor	β	t-value	p-value	R ²	Adjusted R ²	F-value	Model Sig.	Result
Workplace Anxiety	Employee Stress	0.674	18.853	0.000	0.454	0.452	355.43	0.000	Supported

Employee Stress significantly influences Workplace Anxiety ($\beta = 0.674$, $p < 0.001$). Thus, H2 is supported. The findings indicate that employees experiencing greater workplace stress are more likely to develop workplace anxiety.

4.6 Effect of Workplace Anxiety on Workplace Effectiveness

Table 7: Regression Results for H₃

Dependent Variable: Workplace Effectiveness

Dependent Variable	Predictor	β	t-value	p-value	R ²	Adjusted R ²	F-value	Model Sig.	Result
Workplace Effectiveness	Workplace Anxiety	-0.608	-15.081	0.000	0.370	0.368	227.44	0.000	Supported

The results reveal that Workplace Anxiety significantly and negatively affects Workplace Effectiveness ($\beta = -0.608$, $p < 0.001$). Hence, H3 is supported. The findings suggest that employees experiencing higher anxiety levels exhibit lower productivity, reduced concentration, and diminished workplace effectiveness.

4.7 Mediation Analysis

To examine the mediating role of Workplace Anxiety, a multiple regression model was estimated by simultaneously including Employee Stress and Workplace Anxiety as predictors of Workplace Effectiveness.

Table 8: Mediation Analysis Results

Dependent Variable: Workplace Effectiveness

Dependent Variable	Predictor	β	t-value	p-value	R ²	Adjusted R ²	F-value	Model Sig.	Result
Workplace Effectiveness	Employee Stress	-0.284	-6.843	0.000	0.468	0.465	174.81	0.000	Significant
Workplace Effectiveness	Workplace Anxiety	-0.352	-8.417	0.000	0.468	0.465	174.81	0.000	Significant

The multiple regression results reveal that both Employee Stress ($\beta = -0.284$, $p < 0.001$) and Workplace Anxiety ($\beta = -0.352$, $p < 0.001$) significantly and negatively influence Workplace Effectiveness. The model explains 46.8% of the variance in Workplace Effectiveness ($R^2 = 0.468$). Compared to Model 1, the regression coefficient of Employee Stress decreased from $\beta = -0.521$ to $\beta = -0.284$ after Workplace Anxiety was included in the model. Since the direct effect of Employee Stress remains significant but is substantially reduced, Workplace Anxiety **partially mediates** the relationship between Employee Stress and Workplace Effectiveness. Therefore, **H4 is supported**, indicating that Workplace Anxiety acts as an important psychological mechanism through which Employee Stress affects Workplace Effectiveness among IT employees.

4.8 Summary of Hypothesis Testing

Table 9: Hypothesis Testing Results

Hypothesis	Relationship	Result
H1	Employee Stress → Workplace Effectiveness	Supported
H2	Employee Stress → Workplace Anxiety	Supported
H3	Workplace Anxiety → Workplace Effectiveness	Supported
H4	Employee Stress → Workplace Anxiety → Workplace Effectiveness	Supported (Partial Mediation)

The overall findings indicate that employee stress significantly reduces workplace effectiveness both directly and indirectly through workplace anxiety. Workplace anxiety emerges as an important psychological mechanism explaining how workplace stress influences employee effectiveness within IT organizations.

5. Discussion

The primary objective of this study was to examine the influence of Employee Stress on Workplace Effectiveness and to investigate the mediating role of Workplace Anxiety among employees working in the IT sector. The findings provide substantial evidence supporting the proposed conceptual framework and offer important insights into the psychological mechanisms that influence employee effectiveness in technology-intensive work environments.

The results indicate that Employee Stress significantly and negatively affects Workplace Effectiveness, thereby supporting H1. The regression analysis revealed that increased levels of workplace stress lead to a decline in employee effectiveness. This finding is consistent with previous studies suggesting that excessive workplace demands reduce employees' ability to concentrate, solve problems, and perform effectively (Ganster & Rosen, 2013; Cooper et al., 2020). Employees experiencing high stress often face cognitive overload and emotional exhaustion, which adversely affect productivity, work quality, and overall job performance. Within the IT sector, where employees are expected to manage complex tasks and tight project schedules, excessive stress can significantly undermine workplace effectiveness.

The study further found that Employee Stress has a significant positive effect on Workplace Anxiety, thereby supporting H2. The results suggest that employees exposed to demanding workloads, technological uncertainty, and performance pressures are more likely to experience anxiety-related symptoms. This finding aligns with the Job Demands–Resources Theory, which proposes that excessive job demands create psychological strain and emotional distress (Bakker & Demerouti, 2017). In IT organizations, rapid technological change and continuous performance evaluation frequently generate uncertainty regarding employees' ability to meet expectations, thereby increasing workplace anxiety.

The findings also reveal that Workplace Anxiety significantly and negatively influences Workplace Effectiveness, supporting H3. Employees experiencing anxiety often struggle with concentration, decision-making, and problem-solving activities, all of which are essential for effective job performance. This finding is consistent with the work of McCarthy et al. (2016), who reported that workplace anxiety reduces productivity and performance quality. In knowledge-intensive sectors such as IT, anxiety can impair employees' ability to process information efficiently and engage in innovative thinking, thereby reducing effectiveness.

One of the most significant findings of this study concerns the mediating role of Workplace Anxiety. The mediation analysis demonstrated that Workplace Anxiety partially mediates the relationship between Employee Stress and Workplace Effectiveness, supporting H4. The direct effect of Employee Stress on Workplace Effectiveness decreased substantially after Workplace Anxiety was included in the regression model. This result suggests that a considerable portion of the negative influence of stress on effectiveness occurs through increased anxiety levels. Employees who experience stress are likely to develop concerns regarding their ability to manage workplace demands, and these concerns subsequently impair their effectiveness.

The mediation findings support Conservation of Resources Theory, which argues that individuals seek to preserve valuable psychological resources such as emotional energy, confidence, and cognitive capacity (Hobfoll, 1989). Workplace stress depletes these resources, while anxiety further intensifies resource loss, leading to reduced workplace effectiveness. Consequently, workplace anxiety functions as a critical psychological pathway through which employee stress affects performance outcomes.

Overall, the findings highlight the importance of addressing both workplace stress and workplace anxiety within IT organizations. While reducing stress is essential, organizations must also implement interventions specifically designed to manage employee anxiety. Such efforts can help preserve employees' psychological resources and enhance workplace effectiveness. The study therefore contributes to the growing body of literature emphasizing the strategic importance of employee mental health in organizational performance and workforce sustainability.

6. Managerial Implications

The findings of this study provide several important implications for managers, human resource professionals, and organizational leaders operating within the IT sector.

First, organizations should recognize employee stress as a significant organizational challenge rather than merely an individual issue. Excessive workloads, unrealistic deadlines, role ambiguity, and technological complexity should be carefully managed to prevent stress-related performance deterioration. Workload balancing and effective project planning can substantially reduce employee strain.

Second, organizations should establish psychological support systems to help employees cope with workplace anxiety. Employee Assistance Programs (EAPs), counseling services, mental health awareness programs, and stress management workshops can help employees manage anxiety and maintain effectiveness.

Third, managers should foster a psychologically safe work environment characterized by open communication, trust, and supportive leadership. Employees who feel comfortable discussing work-related concerns are less likely to experience excessive anxiety and more likely to remain productive and engaged.

Fourth, organizations should provide continuous learning and skill-development opportunities. Since technological uncertainty represents a major source of anxiety in IT organizations, training programs can improve employee confidence and reduce concerns regarding technological competence and career progression.

Finally, leadership practices should focus on employee well-being alongside performance outcomes. Managers who demonstrate empathy, provide constructive feedback, and support employee development can significantly reduce workplace stress and anxiety while enhancing workplace effectiveness.

7. Conclusion

The Information Technology industry operates in an environment characterized by continuous technological change, intense competition, demanding workloads, and increasing performance expectations. While these factors contribute to innovation and organizational growth, they also create significant psychological pressures that affect employees' mental health and work outcomes. Consequently, understanding the factors that influence workplace effectiveness has become increasingly important for organizations seeking sustainable performance and competitive advantage.

The present study examined the relationship between Employee Stress, Workplace Anxiety, and Workplace Effectiveness among IT professionals. The findings revealed that Employee Stress significantly and negatively influences Workplace Effectiveness. Employees experiencing higher levels of stress tend to exhibit lower productivity, reduced work quality, diminished concentration, and decreased overall effectiveness. The results further indicated that Employee Stress significantly increases Workplace Anxiety, suggesting that stressful workplace conditions often trigger feelings of worry, apprehension, and uncertainty among employees.

The study also found that Workplace Anxiety significantly reduces Workplace Effectiveness. Employees experiencing anxiety encounter difficulties in decision-making, problem-solving, creativity, and task completion, thereby limiting their ability to perform effectively. Most importantly, Workplace Anxiety was found to partially mediate the relationship between Employee Stress and Workplace Effectiveness. This finding suggests that workplace stress not only affects effectiveness directly but also exerts an indirect influence through increased anxiety levels.

The study contributes to organizational behavior and human resource management literature by providing empirical evidence regarding the psychological mechanisms linking employee stress and workplace effectiveness within the IT context. The findings reinforce the importance of workplace mental health as a strategic organizational concern rather than merely an employee welfare issue.

In conclusion, organizations that effectively manage employee stress and workplace anxiety are more likely to cultivate productive, resilient, and high-performing workforces. Addressing these psychological challenges is essential for sustaining employee effectiveness and achieving long-term organizational success in the rapidly evolving IT industry.

8. Limitations of the Study

Despite its contributions, the study has several limitations that should be acknowledged.

First, the study employed a cross-sectional research design, which restricts the ability to establish causal relationships among the variables. Longitudinal studies may provide deeper insights into how employee stress and workplace anxiety evolve over time and influence workplace effectiveness.

Second, the study relied on self-reported responses from employees. Self-report measures may be subject to common method bias, social desirability bias, and respondent subjectivity. Future studies may incorporate supervisor evaluations or objective performance measures to enhance validity.

Third, the study focused exclusively on employees working in the IT sector. Consequently, the findings may not be directly generalizable to employees working in other industries. Different occupational settings may experience unique stressors and psychological challenges that influence workplace effectiveness differently.

Fourth, only Workplace Anxiety was examined as a mediating variable. Other psychological factors such as burnout, emotional exhaustion, psychological well-being, employee engagement, and organizational commitment may also play important mediating roles and warrant further investigation.

9. Future Research Directions

Future research can extend the present study in several ways. First, researchers may examine additional mediating variables such as burnout, job satisfaction, employee engagement, psychological well-being, and resilience to develop a more comprehensive understanding of workplace effectiveness.

Second, future studies may investigate moderating variables such as organizational culture, leadership style, emotional intelligence, work-life balance, perceived organizational support, and psychological safety. These factors may influence the strength of the relationships among employee stress, workplace anxiety, and workplace effectiveness.

Third, longitudinal research designs should be employed to better understand the dynamic nature of employee stress and workplace anxiety over time. Such studies may provide stronger evidence regarding causal relationships among the variables.

Fourth, comparative studies across industries and countries may help identify contextual factors influencing workplace stress and effectiveness. Cross-cultural investigations would provide valuable insights into how organizational environments shape employee psychological experiences.

Finally, future research may explore emerging workplace issues such as artificial intelligence adoption, digital transformation, remote work, hybrid work arrangements, and algorithmic management as potential sources of employee stress and anxiety in modern organizations.

10. Practical Contributions

The study offers several practical contributions for organizations and managers. First, it emphasizes the need for proactive stress management initiatives within IT organizations. Second, it highlights the importance of identifying and addressing workplace anxiety before it adversely affects employee performance. Third, the findings support the implementation of employee wellness programs, counselling services, mental health awareness initiatives, and supportive leadership practices.

By reducing workplace stress and anxiety, organizations can improve employee effectiveness, enhance productivity, strengthen employee engagement, and achieve sustainable organizational performance. Consequently, employee mental health should be viewed as a strategic resource that contributes directly to organizational success and workforce sustainability.

References

1. Bakker, A. B., & Demerouti, E. (2007). The Job Demands–Resources model: State of the art. *Journal of Managerial Psychology*, 22(3), 309–328. <https://doi.org/10.1108/02683940710733115>
2. Bakker, A. B., & Demerouti, E. (2017). Job demands–resources theory: Taking stock and looking forward. *Journal of Occupational Health Psychology*, 22(3), 273–285. <https://doi.org/10.1037/ocp0000056>
3. Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–1182. <https://doi.org/10.1037/0022-3514.51.6.1173>
4. Campbell, J. P. (1990). Modeling the performance prediction problem in industrial and organizational psychology. In M. D. Dunnette & L. M. Hough (Eds.), *Handbook of Industrial and Organizational Psychology* (Vol. 1, pp. 687–732). Consulting Psychologists Press.
5. Cheng, B. H., & McCarthy, J. M. (2018). Understanding the dark and bright sides of anxiety in the workplace: A theory of workplace anxiety. *Journal of Organizational Behavior*, 39(5), 537–556. <https://doi.org/10.1002/job.2259>
6. Cooper, C. L., Quick, J. C., & Schabracq, M. J. (2020). *International Handbook of Work and Health Psychology* (4th ed.). Wiley.

7. Donald, J. N., Bartholomew, K. J., Bono, J. E., Ilies, R., & Backhouse, M. R. (2022). The relationship between employee well-being and job performance: A meta-analysis. *Journal of Occupational Health Psychology*, 27(2), 123–146. <https://doi.org/10.1037/ocp0000327>
8. Edmondson, A. C. (2019). *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth*. Wiley.
9. Ganster, D. C., & Rosen, C. C. (2013). Work stress and employee health: A multidisciplinary review. *Journal of Management*, 39(5), 1085–1122. <https://doi.org/10.1177/0149206313475815>
10. Grawitch, M. J., Ballard, D. W., & Erb, K. R. (2015). To be or not to be (stressed): The critical role of a psychologically healthy workplace in effective work-life balance. *Stress and Health*, 31(4), 264–273. <https://doi.org/10.1002/smi.2558>
11. Hobfoll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist*, 44(3), 513–524. <https://doi.org/10.1037/0003-066X.44.3.513>
12. Lazarus, R. S., & Folkman, S. (1984). *Stress, Appraisal, and Coping*. Springer.
13. McCarthy, J. M., Trougakos, J. P., & Cheng, B. H. (2016). Are anxious workers productive workers? Workplace anxiety and employee performance. *Journal of Applied Psychology*, 101(8), 1056–1076. <https://doi.org/10.1037/apl0000105>
14. Parker, D. F., & DeCotiis, T. A. (1983). Organizational determinants of job stress. *Organizational Behavior and Human Performance*, 32(2), 160–177. [https://doi.org/10.1016/0030-5073\(83\)90145-9](https://doi.org/10.1016/0030-5073(83)90145-9)
15. Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology*, 88(5), 879–903. <https://doi.org/10.1037/0021-9010.88.5.879>
16. Sonnentag, S. (2018). The recovery paradox: Portraying the complex interplay between job stressors, lack of recovery, and poor well-being. *Research in Organizational Behavior*, 38, 169–185. <https://doi.org/10.1016/j.riob.2018.11.002>
17. Tarafdar, M., Cooper, C. L., & Stich, J. F. (2019). The technostress trifecta—Techno eustress, techno distress and design: Theoretical directions and an agenda for research. *Information Systems Journal*, 29(1), 6–42. <https://doi.org/10.1111/isj.12169>
18. Tziner, A., Fein, E. C., Oren, L., Bar-Hen, P., & Kadosh, G. (2021). Human resource management practices and workplace anxiety: The mediating role of psychological capital. *Sustainability*, 13(3), 1254. <https://doi.org/10.3390/su13031254>
19. Yerkes, R. M., & Dodson, J. D. (1908). The relation of strength of stimulus to rapidity of habit formation. *Journal of Comparative Neurology and Psychology*, 18(5), 459–482. <https://doi.org/10.1002/cne.920180503>