

Organizational Stress: Focusing on Ways to Minimize Distress

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Just as individuals can experience symptoms resulting from stress, so can organizations. What is organizational stress, and what are its causes? What are the consequences of it? Most importantly, what can we do to reduce the impact of stress within our organizations? Two higher education HR professionals from the University of Idaho explore these questions. (CUPA-HR Journal, Summer 2003, Vol. 54 No. 2)

Introduction

There is relatively little research on the causes and the implications of organizational stress, and there is no *one* acceptable definition. We consider organizational stress to be the result of those factors in an organization that cause stress for the individual employee, and in turn, have negative organizational consequences. For example, because of organizational needs or changes, factors such as increased workloads or changes in reporting relationships may occur. Such changes to the organizational climate or structure may precipitate a stressful environment among the employees. The employees' stress may cause negative consequences, including absenteeism, burnout, lack of trust, performance problems, or an erosion of positive communication and interaction.

The following example is one familiar in a university context: A university may find that it is experiencing increasing financial difficulties. Therefore, an executive decision is made to initiate a hiring freeze and begin program consolidation. As employees leave and positions are left unfilled, the remaining employees assume extra assignments. The stress of an increased workload and the learning curve to acquire new skills leaves the remaining employees overworked and fearful for their jobs, as they worry that their positions will be eliminated or redesigned. The stress felt by employees can be manifested in many ways. One consequence could be that the incumbents become resentful and overly protective of their jobs. The individual may abandon any sense of team spirit and refuse to share information or resources with colleagues. Another potential outcome is that employees lose faith in the organization, and their performance suffers due to a feeling of lack of control.

Causes of Organizational Stress

There are many causes of stress within an organization including organizational structure, leadership style and quality, the demands of tasks and roles, balancing efficiency of services with high quality standards, the increasing "24/7" mentality, structural changes and changes in business processes, and the quality of communication throughout the organization.

Organizational Change

Change is difficult for an institution and for its employees. There is uncertainty about the future, about what the organization will “look like,” and how the employees feel they will fit into the new structure. While some individuals embrace change, most simply accept it—and with widely varying degrees of willingness. There are those, however, who refuse to change. The subsequent rejection of cooperative progress puts increased stress on supervisors, colleagues, and the institution as a whole.

According to the old adage, “most people do not like any change that does not jingle in their pockets.” The typical tendency is to resist it. Yet, in *A Survival Guide to the Stress of Organizational Change*, the authors state, “resisting change is one of the most common causes of stress on the job” (Pritchett and Pound 1995).

Employees frequently become fearful during times of organizational change because of the instability change causes. They question their abilities to perform in an unknown future. There is a tendency to leave what Stephen Covey calls their “circle of influence” and spend significant time in their “circle of concern,” worrying over possibilities outside their span of control (Covey 1989). Ironically, by clinging to the security blanket of what is known to them, employees can increase their stress levels exponentially. The large-scale result is infectious damage to the organization.

Leadership

The quality of leadership is a critical factor relative to the stress of the organization. Are organizational leaders viewed as competent, ethical, strategic, approachable, and fair? Do they have reasonable expectations? Do they clearly communicate their vision and directions? If not, the organization will experience stress. True leadership does not come from the position held but rather from creating a vision, setting an example, and inviting participation. An intelligent leader reads and understands books, but a great leader reads and understands people.

As noted by Kouzes and Posner in *The Leadership Challenge*, “Leaders don’t command and control; they serve and support” (Kouzes and Posner 1995). Leaders can create stress if employees do not think they have the good of the institution and its people in their minds...and in their hearts.

Changes in Roles and Tasks

Many organizations are finding it necessary to examine the ways in which business is conducted. Whether seen as positive or negative, many colleges and universities are re-examining processes and services, as well as staffing, and are taking on more “business-like” approaches to how work is accomplished. This may mean streamlining or greater use of technology (including less in-person contact and more online interactions). It generally requires that employees learn new skills and commit to continuous learning. While exciting for some, and taken in stride by many, it is resented or rejected by a percentage of employee populations.

As roles and tasks change, there is the potential for stress-producing ambiguity, placing increased emphasis on the importance of adequate and timely communication. Clarity of job descriptions, reporting relationships, and performance standards are critical in combating the potential stress caused by changes in role and/or tasks.

Balance in Work and Life

As technology increases, we are witnessing a struggle—not just with continuous learning and the expectation that work will be accomplished more quickly, but also with a quality dilemma. For those who provide a service rather than a product, there is stress inherent in balancing process efficiencies with customer expectations for quality and personal hands-on assistance.

Another significant contributing factor to organizational stress is the “24/7” expectation in an increasing number of jobs. Many employees express concerns that they do not have a “life outside of work” anymore. Office-related e-mails infringe on employees’ evenings and weekends. With the abundance of laptop computers, the expectation seems to be growing that we can work wherever we go. Employees risk becoming resentful and are vulnerable to burnout. Some cease to have the energy and the enthusiasm they had in the past. As they lose their spark and creativity, the organization loses a major resource.

Consequences

Consequences are not exclusive unto themselves. Frequently they overlap and interrelate with one another. One of the consequences of organizational stress is an increase in employee turnover. If employees are fearful for their positions or feel the expectations are unrealistic, they may leave the organization rather than continue in the uncertainty of their roles. Turnover is costly to any organization. Significant monetary costs are accrued in recruiting, hiring, training, and loss of productivity. The American Management Association believes the cost of finding an employee’s replacement is 30% of that employee’s salary (Campbell 2002). Dexter Bridgeman of Diversified Communications Group estimates the cost of training and development for a single new employee is equivalent to that employee’s annual income and sometimes more (Campbell 2002). Turnover also causes additional work and stress on other employees who have to fill in during the recruitment period, thus leading to burnout.

Burnout is exhibited in a number of ways by employees including increases in absenteeism and illness; increases in the use of employee assistance programs, as well as prescription and medical insurance plans; and increases in workplace accidents, which in turn lead to increases in workers’ compensation claims. It has been estimated that the cost of stress to American organizations, assessed by absenteeism, reduced productivity, compensation claims, health insurance, and direct medical expenses, is in the ballpark of \$150 billion per year (Karasek and Theorell 1990).

Burnout also is a contributing factor to violence in the workplace. Employees suffering from burnout are likely to affect the productivity of other employees, causing an overall reduction in the quality and quantity of work produced.

Organizational stress also can be seen through strained interpersonal relationships. Employees may become territorial of their duties, knowledge, and even their workspace. Communication and teamwork suffer, collaborative efforts diminish, and the exchange of information is minimized.

Poor job performance may appear as yet another consequence of organizational stress, thereby reducing productivity. In some cases, the stress arises from a lack of confidence in supervisory staff. The lack of confidence may come about because of

general organizational uncertainty or a combination of little or no supervisory training, lack of communication skills, or lack of openness and trust.

An organization experiencing high levels of stress cannot hide its condition from potential recruits or high-performing employees from other areas within the institution. This could severely impact the ability to recruit top performers or retain quality workers if they do not see proactive measures being implemented to address the root causes of organizational stress.

While some institutions may insist they are aware of the potential for organizational stress and claim they are offering assistance to employees, it is important to evaluate whether the treatment is for the symptoms or for the root causes of the stress. An example of treating the symptoms rather than the causes of organizational stress would be offering an employee assistance program or wellness benefit to help employees become aware of bad habits they may have developed (e.g., unhealthy eating habits or not enough exercise), but doing nothing as an institution to try to reduce the causes of stress. While awareness of the symptoms is important, it does not address the cause, and consequently, could create even greater stress for the employee.

Resolutions

One mechanism for evaluating organizational stress is to conduct exit interviews with employees who are voluntarily leaving the institution. To obtain the most accurate data possible, the results should be separated from the employee's name and used only as anonymous statistical information. This statistical information should then be shared with administrators allowing the institution to address the causes of its organizational stress. It is not sufficient merely to gather data. There must be a well-devised plan to follow-up on those items over which the organization has control. Further, the plan of redress must be intensely monitored for desirable results.

Training needs to be made a priority, especially for managers and supervisors who play the greatest role in establishing the organizational climate for employees. Many employees are being asked to accept additional roles as their predecessors are retiring or are being laid off. Whether doing so willingly or out of necessity, the employee needs proper and thorough training in order to enhance the odds for success. Having the predecessor be the only source of training may not achieve the desired results. Cross-training also is helpful in streamlining processes, allowing for variation of duties and reducing burnout. However, as mentioned previously, employees will become territorial and overly protective of their jobs if they feel threatened, therefore cross-training is best implemented at a time of organizational stability.

In addition to training, career development opportunities should be established, communicated, and encouraged. Having a career goal to work toward will help alleviate role ambiguity, reduce turnover, enhance job performance, and encourage other high-performing employees to apply for positions within your institution.

The benefits of recognizing and rewarding employees are numerous: improved productivity, increased retention and morale, stronger working relationships, ability to attract new, talented employees, and reduction in organizational stress. From a simple thank you to a public award, recognition can make a vital contribution to the overall success of your organization. It is important to have the reward or recognition be timely, specific, and something the employee values. Fortunately, there are numerous low-cost

and free forms of rewards that institutions can use during difficult economic times. These can range from a sincere thank you, either verbally or in a written note, to a trophy that circulates through a department and is presented when an individual has achieved something remarkable, to “candy metaphors” (e.g., a roll of life savers for someone who has come through in a pinch). For more reward and recognition ideas, visit www.uidaho.edu/hrd and click on “Employee Recognition.”

With many institutions facing an economic decline, one of the first expenses to be cut or frozen frequently is travel and professional development. Professional development is essential to retain quality employees and to develop employees in new positions. The development process increases employee confidence and effectiveness. Most offices update software on a regular basis and spend considerable resources in doing so. Unfortunately, the same considerations and resources are not given to upgrading employees’ knowledge and skills.

Many institutions support wellness programs consisting of exercise and health classes, both of which are effective in helping employees cope with organizational stress. To get optimum benefit from such programs, however, it is important not only to offer the wellness programs, but also for leaders and administrators to model a balance of work and life. An example would be not working on weekends or not conducting business by e-mail and voicemail while on vacation, thus effectively reducing the burnout factor.

As employees are asked to do more with less, their time management skills become increasingly important. Virtually every position requires an individual who can multitask effectively. As employees experience more stressors, even top performers may find time management skills training beneficial.

Performance appraisal time can be a stressful experience for both the supervisor and the employee, but it does not have to be. Appropriate use of performance management can actually be effective in reducing organizational stress. Performance management should be conducted year-round, proactively, and include mutual goal setting and clarification of expectations. It should encourage continuous feedback and multidirectional communication. Offering employees the opportunity to have input and to help establish time frames for completion of projects will result in a healthier and more productive organization.

Communication is important at all times, but especially during times of stress. Communication should be timely and multidirectional. Newsletters and e-mail distribution lists can be effective methods for disseminating information. Utilizing a Web site with e-mail links is also a good way to hear from, or communicate to, large groups of individuals. On a smaller scale, holding all-inclusive weekly or biweekly staff meetings to voice concerns or ask questions is an effective method of keeping employees informed and involved. To help alleviate fear, it is crucial to enhance communication as soon as a new stressor is perceived.

Employee Assistance Programs (EAPs) can help alleviate stress by providing a free, confidential avenue for employees to openly express the stress they are experiencing. Many times, having a trained professional who objectively listens rather than commiserates or becomes defensive will produce a healthier environment, and potentially a safer one as well. While EAPs are clearly beneficial, it remains important for the institution itself to confront and strive to remedy organizational stressors.

Conclusion

As noted in *Theories of Organizational Stress*, “preventive stress management offers an organizational philosophy and methods for managing this problem to improve health and performance at work” (Cooper 1998). The intent is not to prevent all organizational stress, allowing for complacency, but rather to minimize distress. This can be achieved through early detection, immediate treatment, and ongoing safeguards. Administrators within the organization must be vigilant in assessing stress factors and developing ways in which to manage the stress for the good of the employee and the benefit of the institution.

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