

STRESS AT THE WORK IN ROMANIAN BANKING SISTEM

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In a period when the banks are struggling to survive we can realize that stress management becomes a problem. Stress at work can bring real business problems, management and labor productivity can be seriously affected and the level of motivation and conflict between colleagues may weaken professionalism. One of the most important factors in reducing stress levels of employees is helping them maintain a healthy balance-service Life. To effectively manage stress we need to know the causes that led it, which are symptoms of stress, how to effectively manage time at work and which are the ways to reduce stress level. Long-term stress cause psychological, behavioral, physical effects for the employee and also the banks results would suffer.

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Literature Review

Work

Work is and has always been an active and decisive factor of production whereby all other factors of production are driven, combined and employed effectively. People with their abilities and skills, with their experience and acquired knowledge, are the producers of all economic goods.

Work Productivity

The productivity of the workforce is a decisive factor for a bank to be successful. Productivity, at its turn, depends on the quality of the workforce. In a dynamic and competitive world man is faced with all types of stress.

Human resource is complex, it cannot be weighed easily, and for it to be effective it requires constant efforts of support and development on the part of the company. The work force in the banking system is a priceless asset, it is crucial for the success, performance and competitiveness of a bank. The workforce in the banking system is very important in promoting the products and the services of a bank unit. In the banking system the only element that matters in the long run for the economic growth is the human resource. The advantage of competitiveness in the long run gives the quality of the workforce. Each strategy of development must start with the human resource and education. The profits of the Romanian banking system in 2009 dropped to 772, 3 million lei (a little less than 200 million Euros), as apposed to 4, 4 billion lei (1, 2 billion Euros) representing the profits of the banking system in 2008¹¹⁵. The drop in profits is due to a decrease in the economical activity which led to the closing down of many companies and to the provisioning by the banks of credit loss. Last year the number of employees in the banking system dropped by 3.724. In 2009 the number of employees in the central offices decreased by 256 employees respectively by 1.20% to 20.394 people. Romania currently has a solid banking system, which did not display weaknesses in its system during the financial crisis, but the fact

¹¹⁵ http://economie.hotnews.ro/stiri-finante_banci-6876971-sistemul-bancar-romanesc-2009-profituri-sub-200-mil-euro-retea-bancara-scadere-3700-angajati-mai-putin.htm

that the banks are trying to maintain their profits renders us more aware that work related stress became a problem.

Work-related stress

The notion of *stress* was introduced to physiology in 1930 by Hans Selye, who defined it as being the organism's non-specific answer to pressure or request¹¹⁶. This notion refers not only to a theoretical issue but approaches a real and critical aspect of our lives. *The European Agency for Safety and Health at Work* defined it as follows: "work-related stress is experienced when the demands of the work environment exceed the employees' ability to cope with (or control) them."¹¹⁷ Work-related stress can be defined as the most harmful physical, psychical and behavioral response which emerges when the demands of the job do not match the resources, the abilities or the needs of the employee. Stress is not a disease; it is an intense and unpleasant state which in the long run can have negative effects on mental and physical health, on performances and productivity. Stress is not only the effect of negative events; it can be the result of daily tensions. The fact that we concentrate when we work can lead to improvement in performance and to work satisfaction, by achieving the established goals. Work-related stress can sometimes be considered a positive element and mistaken for a competition, but these two notions are not identical. Competition gives us energy and motivates us to improve our work. When a competition ends we feel relaxed and content. Stress is a state of tension which occurs when a person responds to the demands of the work environment, family and other external sources when these are generated by his/her internal needs, obligations and self-critique. This situation is convenient for neither the employees nor the company. Stress is both additive and cumulative. It cumulates in time to the point of a crisis outburst when symptoms emerge. Untreated, the symptoms can lead to illness and even death. Stress causes considerable disorders at the level of productivity, creativity and competitiveness. Every one of us can be the victim of work-related stress, regardless of the field of activity or the size of the organization we work for. Stress is a psychological reaction to the inherent demands of the stress factors which has the potential of making a person feel anxious and tensioned, because he/she is not able to cope with these demands. Some employees consider stressful work conditions as being "a necessary evil". Still, the company has to cope with the pressure on the part of the employees and to ensure their health in order for it to remain productive and profitable within the conditions of the current economy. There is stress resulting from employees being overloaded or under loaded. A moderate quantity of stress stimulates the body, but going beyond the physical and emotional limits of stress coping, causes not only a drop in one's performances but also a drop in one's ability to communicate and collaborate. The number of poor decisions increases, whereas the willingness to assume and fix the mistakes decreases. Stress is a personal and subjective reaction to tension, depending on each person's perception of both the size of the problem he/she is facing and the personal ability to cope with it.

Stressful working conditions are currently associated with an increase in absenteeism, employees being late to work, and their intentions to leave work, all these having a negative effect on the company. Stress ranks second when it comes to frequently reported health problems at work, affecting 22% of the workers belonging to the 27 member states of the European Union. Research shows that stress is a factor prevalent in a ratio of 50% - 60% in all lost workdays. The report of the European Commission reveals that 70 % of the Romanians are faced with high

¹¹⁶ Selye, H. *The Stress of Life*, New York, McGraw-Hill, 1956.

¹¹⁷ Factsheet 22: Work-related stress, European Agency for Safety and Health at Work; <http://osha.europa.eu/en/publications/factsheets/22/view>

work-related stress and that they work weekly more than 48 hours as established by European regulations. Stress at work can be related to age, sex, working field, and work status. The highest levels of stress can be noticed among middle age workers, and the lowest among older and younger workers. Physical violence is most frequently reported by workers aged 25-39, while harassment and unwanted sexual attentions are reported by the younger employees. Women are more exposed to harassment than men, but the prevalence of physical violence is similar for both sexes. Among employees stress is dependent on the type of work contract. Workers with permanent work contract display the highest levels of stress.

Stress always stems from combining three key characteristics:

- the prevalence of stress factors;
- personal resources to cope with stress factors;
- types of reaction to stress

Stress can be caused by different stressors at both the workplace and outside. It can have different causes and manifestations.

Causes of stress

Among stress causes we can mention: health, fatigue, lack of personal organization, lack of control, deadlines, the fear of failure, insecurity at work, the feeling of not fitting in with the culture of organization, traffic, driving, money, the ageing process, unfinished things, unclear direction in profession or life, a disorganized environment at home or work, relationships. Each manager and employee must know the factors that lead to stress, how it can be identified and how it can be done away with.

There are stress factors that are equally felt by each employee. Interpersonal conflicts are a strong factor, especially for those strong tendencies to avoid it. The whole range of conflicts, starting from personality clash and ending with fights among groups, is likely to cause stress. Among the causes of stress rank to a larger or lesser extent the inner triggers of personality, which are found in our subconscious and which control our actions: hurry, please others, be perfect, strive yourself, and be strong. These triggers are conveyed by children's parents when they are young.

Another stress factor at work is the way in which individuals perceive the possible results of their professional activity. If the results are considered both uncertain and important, such as signing an important contract, drafting a crucial report, or merely the ability to "please the boss", enhance the chances for the onset of stress.

In the family- work conflict, the stress stems from a clash of roles- that of being a member of a family and that of being a member of an organization. The Romanian society undergoes changes that have a negative impact on professional and family life. Because the traditional roles in family and at work have changed, both men and women desire to build a career and at the same time to achieve their personal family goals. A rise in the level of expectations and the living costs make a lot of people work harder, despite the personal needs and responsibilities that they acknowledge and state. The imbalance between the professional and family life affects the employee, the family and the organization he/she works for. For many families time management has become a problem, particularly the aspects regarding the carrying out of shared family activities, dividing the time between work and family. Both men and women are influenced by the impact of the conflict between work and family. The consequences of this conflict manifest themselves at the level of the employee in the decrease of professional performance and the increase of physical and emotional health, and at the level of the organization by a decrease in productivity, the rise of absenteeism, and of the number of quitting people. The lack of effectiveness at the professional and personal level of the employees represents a major problem for human resource specialists and managers. They can develop and implement organizational practices whereby to create an optimum work environment for the employees, women and men, with considerable benefits for the bank.

Among the stress factors at work in the Romanian bank system we can mention:

- the style of leadership: a poor communication and lack of information within the company, the lack of clear-stated objectives, the lack of support on the part of the team of managers, employees not being involved in changes occurring at work;
- decision and control: a poor involvement in taking decisions, the lack of control over one's work;
- the role in the organization: the unclear status in the organization, contradictory objectives and priorities, a great level of responsibility at work;
- work schedule: inflexible work schedule, unplanned overtime work, shift work, excessive extra work, the unexpected overloading of work tasks.
- career: uncertain career evolution, frustrations in the development of the career, uncertain status and a lack of acknowledgement, the uncertainty of the job, insufficient training programs, changes in the job within the organization;
- the relationships at work: poor relationships with superiors, lack of communication, interpersonal conflicts, harassment, verbal aggressiveness, physical or social isolation;
- work tasks and pace: lack of control over the work pace, overloaded or under loaded work tasks, lack of a priority of activities;
- work performance: a decrease in work performance, lack of decision, irritability;
- workload;
- time;
- work intruding;
- telephone;
- flood of emails;
- the cult of performance;
- changes;
- the man being a stress factor for the man: clients, lack of politeness, daily aggressiveness, work atmosphere, harassment;
- deadline pressure can become extremely stressful, deadlines for projects done in collaboration with other people who did not fulfill their tasks on time can become a source of stress for the employer who though has fulfilled his/her tasks cannot hand in the work in time.
- Too many "bosses". When an employee has several superiors, each of whom asks him/her to do a series of reports or actions, some of these even overlapping or coming into contradiction, he/she becomes disoriented, being confused as to whom he/she should submit or what he/she should do.
- supervision by means of cameras. The "big brother" effect is extremely strong particularly in initial phase when employees become aware that their every move is being noticed and analyzed by means of cameras.

Personal resources to cope with stressors

Personal resources to cope with stress are represented by the cognitive, emotional and behavioral capacity of each individual to reduce, control, or tolerate internal and external demands which exceed the organism's automatic capacity for response. Most of the times, it stems from the self-evaluation of one's own resources to face the events considered to be negative or threatening. Individual factors such as self-esteem, assertiveness, optimism, or the feeling of self-sufficiency, are protection factors against stress. The European Working Conditions Surveys from 1991-2005

show that there is a continuous growth in the number of respondents who report that they work at least around 0.75% of the time at very high speed¹¹⁸

Some people are acutely reactive to stress, other people can experience symptoms in time. Acute reaction can take different forms: panic, anxiety, increase in the pulse rate, sweat, dry mouth, or trembling. In the long run stress can cause: headaches, dizziness, seeing disorders, skin itch, pain in the back of the head and shoulders. Differences in individual characteristics such as personality and way of dealing with problems play an important part in the way we are influenced by stress factors- some are more influenced and some less. Personality can have a major importance stress sensation. It affects both the degree of perception of possible agents as being stressful and the type of ensuing reactions. Most people like to think that they are in control of what happens to them. They are more likely to face directly the stressors because they start with the premise their response can change something. Those who do not keep everything under control are more prone to adopt strategies meant to reduce anxiety which give results only in the short run.

Stress symptoms can be: physical symptoms, intellectual symptoms, emotional symptoms, behavioural changes.

The effects of stress at work can manifest behaviorally, physiologically as well as psychologically.

Behavioral effects materialize in ways of dealing with problems. In the short run, these could be: irritability, disorganization, poor work organization, alcohol, and tobacco and food abuse. In the long run, they could materialize in: drug abuse, intolerance towards other people, ineffective work and time organization, inability to take quick decisions, overweight/underweight.

Psychological effects involve first of all, emotional and cerebral processes. In the short run, they manifest themselves through poor memory, low self-esteem, and inability to concentrate; in the long run: depression, memory problems, poor tolerance, panic attacks, and anxiety.

Physiological effects in the short could be: sweat, cold and trembling hands, dry mouth, quick and superficial breath, red face, stomach ache, and in the long run: hypertension, allergies, headaches, heart attack.

Tendencies

Lately some changes have been registered in the structure of work time because of the information-based society, work time floods free time, there are no clear-cut borders due to e-mail and blackberry. The fact that employees can fulfill certain tasks from their homes; they can access electronic mail from work, from no matter where, extends professional stress over to free time.

The financial crisis which led to Wall Street crash left thousands of specialists in the banking system jobless, other thousands sharing the same fate. A research conducted on 1.200 top managers, shows that 65% of these people state to have managed in their careers by sacrificing their family lives. Building organizational programs intended to balance work and private life, have to bear in mind the following changes: there is a growth in the number of single parents, of divorces, of women who work, of couples wherein both partners have a career, of fathers involved in the upbringing of children.

In Europe, 28% of the employees experience a high level of stress at work. Stress at work leads to a growth in the risks of anxiety, depression or burnout. Working conditions that negatively affect the mental health of employees include negative management style, low social support,

¹¹⁸ European Foundation for the Improvement of Living and Working Conditions
Fifteen years of working conditions in the EU: Charting the trends, Office for Official
Publications of the European Communities, Luxembourg, 2007.
<http://www.eurofound.europa.eu/publications/htmlfiles/ef0685.htm>

time pressure, repetitive tasks, interpersonal conflicts, insecurity of the job, lack of control and autonomy.

The most frequent problems of mental illness in European countries are anxiety and depression; it is estimated that by 2020 depression will be the main health problem among adults and children in developed countries.¹¹⁹

Legislation

The European Commission applied certain measures meant to guarantee the safety and health of workers. The frame directive (89/391) stipulates fundamental regulations in the field of work safety and health; the obligation on the part of employers to ensure safety and health at work, including references to effects of work-related stress. All member states have implemented this directive in their legislations and some have issued guides to prevent work-related stress. In conjunction with the approaches of the frame directive, in order to do away with or reduce stress employers have to:

- prevent stress risks at work;
- evaluate stress risks at work through identifying those demands and pressures of activity which might generate high and long-term levels of stress and through identifying the possibly affected employees.
- To adequately take measures to prevent stress induced harm.

Work-related stress can be avoided and efforts to reduce it can be highly profitable. Evaluating stress risks at work involves the same basic principles and processes such as evaluating the other risks at work. Including the employees and their representatives in the process of assessment is essential to their success; they have to be consulted in order to identify the causes of stress, the groups that are potential victims, and also the solutions that need to be adopted in order to help.

The stages of assessment of risks can be summarized as follows:

- identifying the risks;
- establishing the people who can be affected by stress and in what way they can be affected.
- assessing the risk through: identifying the measures that have already been sufficient and if they are not sufficient, establishing additional measures that can be adopted;
- reexamining these assessments at on a regular basis

Managers with a sound thinking have an attitude of collaboration between the employee and the manager in achieving the professional and personal benefits both for the company and the private lives of employees and managers. These managers are guided by three major objectives¹²⁰:

- the clear information of the employees regarding the business priorities and encouraging the employees to establish personal priorities;
- acknowledging and supporting the employees for their roles and responsibilities at work and outside work;
- the permanent improvement of employees' performances and of the organization at the same time with reaching the personal objectives of the employers.

In order to create a healthy work environment banks have to direct their shares in favor of employees' health which will result in benefits for the company. A healthy organization is an organization with a low rate of illness, of disabilities of the workforce, with a low level of stress at work and a high level of productivity. A healthy organization acknowledges employees' rights, creates opportunities for career development and has an organizational culture that emphasizes

¹¹⁹ Green Paper - Improving the mental health of the population: Towards a strategy on mental health for the European Union, 2005

¹²⁰ Harvard Business Review on Work and Life Balance, 2000

the employee. The first step in establishing the level of pressure that would lead to an optimum productivity resides in a constructive dialogue between the managers and working teams. Monitoring the communication in view of establishing the excess of conflict will allow the managers to be better equipped in order to make the necessary changes.

Prevention of work-related stress in Romanian banking system:

Stress can be fought against almost in every situation through a convenient combination of recreational exercises, physical exercises, a healthy diet, a better time-keeping and the improvement of social abilities. First of all we have to reduce the stressors; preventive measures for maintaining a healthy balance could be:

- identifying then changing the way in which we perceive the stressors;
- learning to say 'I can't, I don't know how to, I need help';
- being surrounded by optimistic people;
- laughing;
- ensuring a healthy diet: avoiding excess of sugar, fats, salt, caffeine and alcohol;
- putting a greater emphasis on rest;
- exercising;
- respecting breaks. A short walk, a conversation with a fellow worker on topics other than work or a simple relaxation technique;

Preventing stress at work is one of the main aspects of the fundamental objective of International Labor Organization in promoting as many opportunities as possible for men and women to get a decent and productive job in conditions of freedom, equity, safety and human dignity;

Ways of managing stress in the banking system:

- information regarding the sources of stress;
- becoming aware of reactions to stress;
- developing abilities and behaviors of stress management: developing assertiveness, a positive communication with other people; identifying and sorting out conflicts when they emerge, learning the methods to sort out problems and taking decisions, learning relaxation techniques;
- establishing and maintaining an adequate social support;
- developing a healthy lifestyle: keeping a normal weight, exercising on a regular basis, giving up on alcohol and tobacco;
- boosting the self-esteem: establishing priorities and limits, taking part in activities that grow one's self-esteem, establishing realistic goals;
- time management.

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