

## ORGANIZATIONAL STRESS AND ITS IMPACT ON WORK PERFORMANCE

**Bucurean Mirela**

*University of Oradea, Faculty of Economics*

**Costin Mădălina-Adriana**

*University of Oradea, Faculty of Economics*

**Abstract:** Nowadays, in times of economic crisis, most managers or entrepreneurs have to cope with a lot of new job challenges which can easily transform into stressors. Work related stress is of growing concern because it has significant economic implications for the organization. Even if some stress is a normal part of life, excessive stress can influence one's productivity, health and emotions and it has to be taken under control. When people lose confidence, they refuse to take responsibilities, they get quickly irritated, they are unsatisfied of their job, their performance will be very low and the organization will be in danger. Fortunately, most managers and entrepreneurs know which stress main symptoms are and have the necessary knowledge for managing and reducing it before it can affect employees' daily work.

Stress can have an impact both on the organizational welfare and on personal behavior of supervisors or employees, that's why, the ability of managing it can make the difference between job's success or failure.

The purpose of this paper is to study Romanian managers and entrepreneurs from Bihor County's perception regarding the stress phenomenon, if they feel that they are affected by stress, if they promote some methods to reduce it and if they consider that stress can influence the organizational performance.

As a research method we used an online questionnaire, applied to a number of 75 managers and entrepreneurs that represent the target group of the project "Flexibility and performance through management", project financed by the European Social Fund - "Invest in people". Each participant had to answer a number of 35 questions regarding stress and the results will be presented in this paper. The main conclusion is that, even if job itself is seen as a stressor, there are other important factors that can produce stress such as: family problems, personal problems or social problems.

**Keywords:** organizational stress, impact, managers, entrepreneurs, work performance

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### 1. Organizational stress

Organizational stress can be defined as an emotional, cognitive, behavioral and physiological response to the aggressive and harmful aspects of work, work environment and organizational climate. It is a condition characterized by feelings of helplessness in solving tasks.

In other words, work-related stress is people's reaction when they have to face some demands or special tasks that are out of their abilities or knowledge.

Types of organizational stress

The main types of organizational stress can be considered the following (1):

*Eustress* represents a positive kind of stress and helps people to prepare their mind and body for whatever is about to occur in the future. Eustress can develop one's energy, creativity or competitive spirit and can offer the strength for achieving performance.

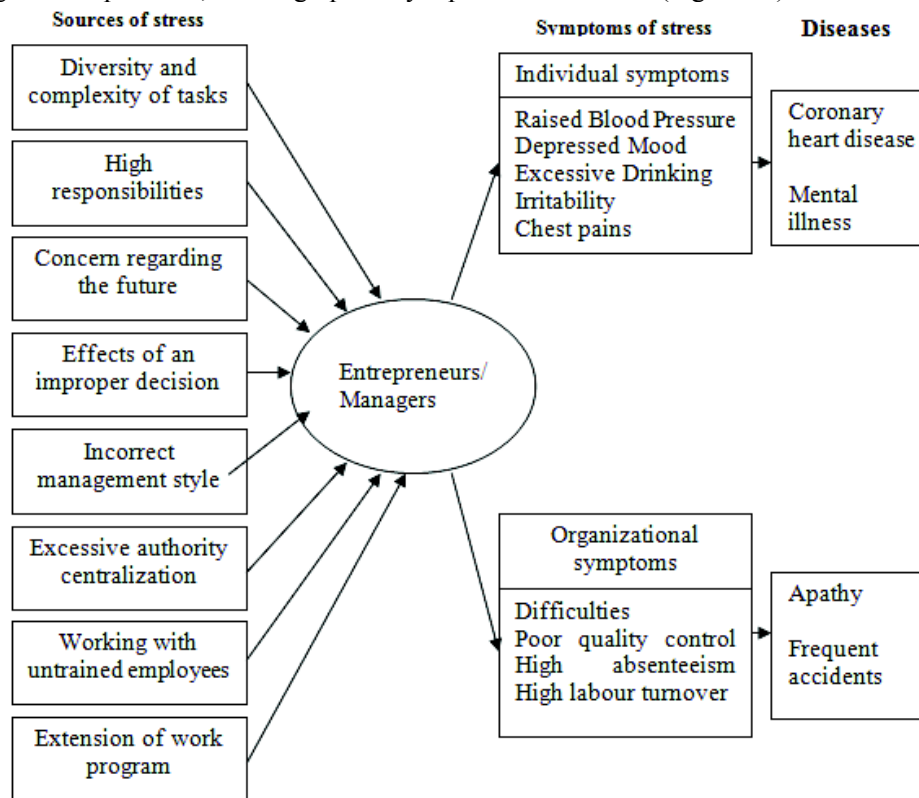
*Distress* occurs when something affects one's routine for a short period of time. It has a negative impact on people and it contains the following categories of stress: acute stress and chronic stress.

*Acute stress* appears when a change transforms one of the usual works that a person do. Although it seems to be an intense type of stress, it passes very quickly. The symptoms to that king of stress are: headaches, hypertension, rapid heartbeat and stomach problems.

*Chronic stress* is the most serious type of stress and can be very harmful for people's health. It occurs when something changes the routine for a long period of time, from weeks to years. This kind of stress appears when facing several work or personal failures.

## 2. The effects of stress on the entrepreneurs/managers and stress management

The relationship between stress sources, symptoms and diseases caused by stress for managers/entrepreneurs, can be graphically represented like this (Fig. no. 1):



**Figure no.1 The relationship between stress sources, symptoms and diseases caused by stress for managers/entrepreneurs (2)**

Adaptation by: Agrawal, Rita, *Stress in life and at work*, Response books, London, 2001, p. 146

Sources, symptoms and effects of stress for entrepreneurs/managers

After analyzing the causes of organizational stress we can distinguish between those who act solely on entrepreneurs or managers.

These causes can be the following:

- the diversity and complexity of tasks;
- high responsibilities that require management positions;
- concern for the organization's future;
- aware of the potential effects of a poorly developed decision;
- inappropriate management style;
- excessive centralization of authority;
- the existence of poorly professional trained subordinates;
- the extension of work program due to the emergence of some special situations.

### **Ways of managing individual stress**

There are a lot of actions that individuals can take in order to manage their stress level and to prevent them from developing into more serious problems. The main positive actions that people can take fall into three categories:

- modification of behavior;
- development of a healthy lifestyle;
- alteration of mindset.

When talking about *behavior*, the interventions that can be made are:

- being more assertive: listen to others, respect others, tell others what you feel or need, negotiate, compromise, being self-confidence.

- improving time management: establish priorities, make a list of what must be done, eliminate time-wasting activities, focus on essentials, be able to delegate effectively, learn to say "no", organize daily activities, make a list of targets.

- avoid perfectionism
- avoid getting angry over things that you cannot influence;
- accept (sometimes) the errors of yourself and others;
- smile and give affection;
- practice being a good listener;
- learn to relax;
- learn to turn stressful life events into challenges for personal growth;
- get used to take some "time out".

As far as *healthy lifestyle* is concerned, the main activities that people can follow are:

- a healthy diet: alcohol taken with moderation, limited quantity of caffeine, avoid carbohydrates, eat fruits, vegetables and sufficient quantity of water;
- regular exercise: reduce muscle tension, increase energy, maintains self-image, appearance and tends to control weight, helps to clear the mind of worrying thoughts;
- relaxation: improve sleep patterns, ameliorate pain, reduces stress response, increase self-esteem;
- increase leisure time and taking up hobbies.

The third area in which people can make interventions refers to the *alteration of mindset*, including:

- modification of perspectives;
- self-talk;
- positive thinking;

### **Ways of managing organizational stress**

There are a lot of strategies that can be applied when talking about managing organizational stress, such as:

- early prevention and elimination of work-related problems that can produce stress;

- change work demands;

- ensure that employees have the necessary knowledge and abilities to perform effectively their jobs;

- improve constantly the technique used at work;

- apply a proper management style;

- ensure a proper work environment;

- offer employees a stress management training in order to teach them ways of overcoming stress;

- increase the support needed by employees;

- ensure a good level of cooperation within employees;

- clearly define disciplinary procedures;

- establish a supportive working culture in order that employees feel integral to the organization and are motivated to achieve its goals;

- offer employees the necessary support and information for developing their career;

- encourage flexible work schedules;

- try to manage the change process in a way that employees cannot become stressed due to it.

### **3. Case study - aspects of stress perception of entrepreneurs and managers from Bihor County**

The proposed research was conducted by using the database of the project "Flexibility and performance through management" developed in partnership by the Faculty of Economics and Business Administration, University of Craiova and the Faculty of Economics, University of Oradea as a

partner, no of contract POSDRU/81/3.2/S/57620, implementation period: 12/02/2010 to 01/31/2012 in the amount of: 2,137,229 lei.

The project's general objective is to develop the professional skills of general managers in order to prepare them to promote the adaptability and the introduction of new technologies. The specific objectives are: the professional training of 180 entrepreneurs and SMEs managers from two development regions in order to promote new forms of work organization and new technologies with reduced environmental impact; the increasing of informational level of the target group entrepreneurs and managers when talking about the necessity of introduction and the compliance of safety and health rules at work. Further the study will be referred to the target group of the NW - Bihor County.

**Research Methodology**

This research is a descriptive one and its aim is to provide an image at a certain time on the studied phenomenon - stress. For implementation of this quantitative research was chosen as a research method - the survey. For this purpose, a structured questionnaire was developed in two parts with 35 questions.

The target population is the target group - Bihor County entrepreneurs and managers, participants in the course of the project - "Flexibility and performance through management", project financed by the European Social Fund - "Invest in people". The database of the target group - entrepreneurs and managers from Bihor County is based on online questionnaires. This database has a total of 75 entries.

The respondent's structure

In terms of affiliation to a business category entrepreneur/manager, 40% of respondents are entrepreneurs and 60% are managers at all levels within the SMEs.

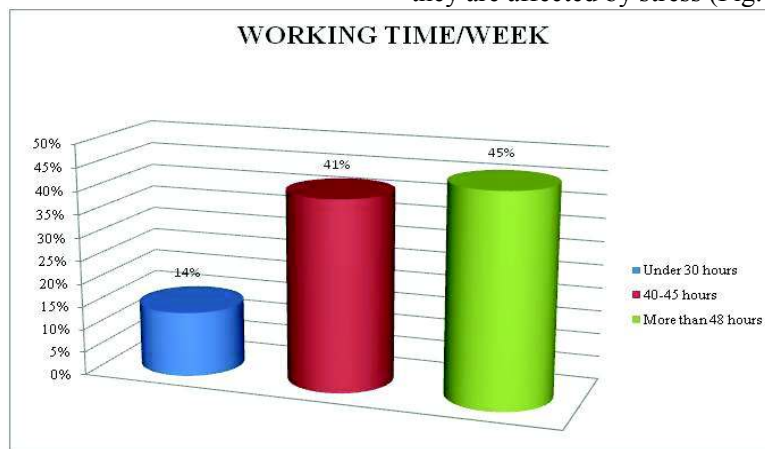
Gender structure. The share of women in the total number of respondents is 40%, 60% are men.

Age. Taking into consideration the age in completed years, the situation is as follows: 16%, 18 – 24 years, 73%, 25 – 45 years, 9%, 45 – 54 years, 2%, 55 – 64 years.

Regarding family status, most participants are married (62.8%), 34.8% are unmarried, 0.04% being divorced.

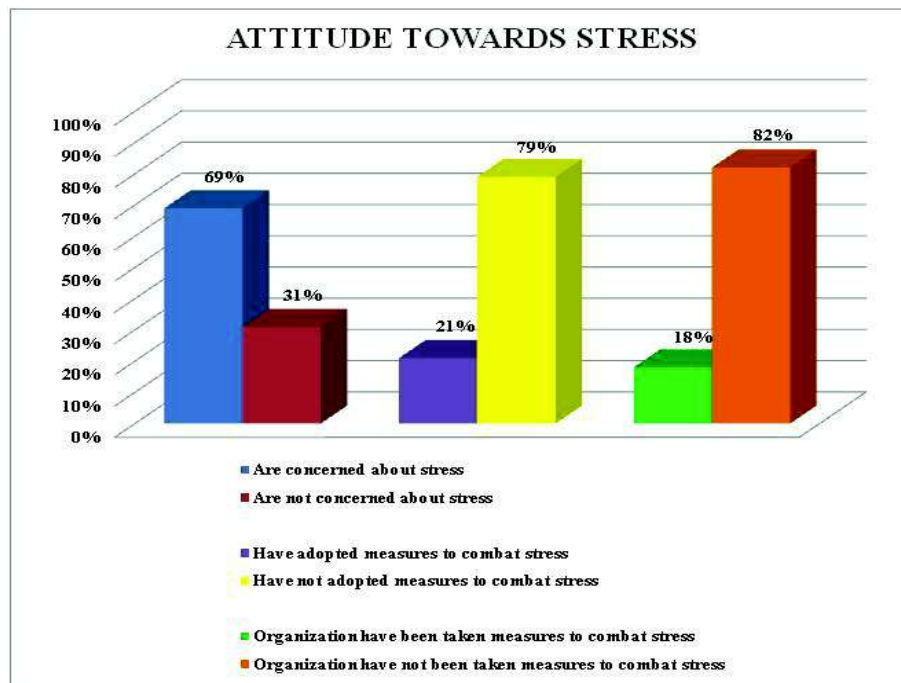
**Stress and stress concerns**

45% of respondents work more than 48 hours per week. In these circumstances, it is not surprising that 70% of respondents believe they are affected by stress (Fig. no. 2).



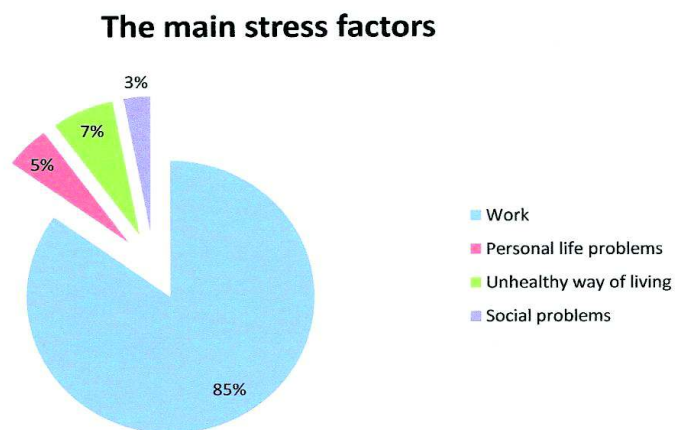
**Figure no. 2 Working time/week in the case of managers and entrepreneurs from Bihor County**

It follows therefore that a larger number of respondents believe they are affected by stress. 69% say they are concerned about stress, but only 21% say they have adopted measures to combat stress. Also a small number of managers (18%) say that the organization in which workers have been taken measures to combat stress. (Fig. no. 3))



*Figure no. 3 Managers, entrepreneurs and organization's attitude towards stress*

To a large extent (85%) respondents considered that work is the main source of stress in their lives. (Fig. no. 4)



*Figure no. 4 The main stress factors*