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Class: TY BSc

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Chapter: Unit 2 Chp 4

Chapter Name: Organizational Change and Stress Management

Today's Agenda

1.0 FORCES FOR CHANGE

2.0 ORGANIZATIONAL STRESS

3.0 DEFINITION OF STRESS

4.0 SOURCES/CAUSES OF STRESS

4.1 ENVIRONMENTAL STRESSORS

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4.3 PERSONAL STRESSORS

5.0 INDIVIDUAL DIFFERENCES IN THE EXPERIENCE OF STRESS

6.0 CULTURAL DIFFERENCES IN THE EXPERIENCE OF STRESS

1.0 FORCES FOR CHANGE

Modern organizations are facing a number of issues that are compelling it to change. Some of these forces are:-

1. CHANGING NATURE OF THE WORKFORCE

Employees of an organization are diverse with regards to nationalities, gender, age, education, race, talent/ability, ethnicity, sexual orientation, lifestyle and values. Organizations need to learn to adapt to such a multicultural environment.

2. CHANGING TECHNOLOGY

Technology is changing at a rapid rate and organizations need to update with the advances in technology.

1.0 FORCES FOR CHANGE

Modern organizations are facing a number of issues that are compelling it to change. Some of these forces are:-

3. **ECONOMIC SHOCKS**

Economic meltdown and financial crisis have led to employees losing their jobs, organizations going bankrupt. These economic shocks have forced them to change.

4. **COMPETITION**

With the world becoming a global village, Organizations face competition within and across borders. Only those organizations that continuously innovate are flexible to changes can survive this fierce competition.

Mergers and acquisitions also change market equations dramatically.

1.0 FORCES FOR CHANGE

Modern organizations are facing a number of issues that are compelling it to change. Some of these forces are:-

5. CHANGING SOCIAL TRENDS

Due to the digitalisation and connectivity, there is a lot of information sharing. Hence, employees and consumers have become more demanding. They have also become more concerned about the environment and expect organizations to adopt green practises.

6. WORLD POLITICS

Changes in government, political events in different parts of the world have a profound impact on organizations. Organizations need to adapt to this emerging new world order.

2.0 ORGANIZATIONAL STRESS

- Organizational stress can have physiological and psychological effects on employees.
- It can lead to lower employee productivity, reduced motivation, increased errors and accidents and sometimes safety issues.
- However, stress is unavoidable. Therefore, knowledge of stress can help one manage stress in a more effective manner.

3.0 DEFINITION OF STRESS

Stress has become an inevitable part of modern life.

Stress is defined as, “**an unpleasant psychological process that occurs in response to environment pressures.**”

-ROBBINS AND JUDGE,2013

- Stress is a condition which an individual experiences when he is faced with some opportunity or demand or resources whose outcome is important but uncertain.

3.0 DEFINITION OF STRESS

Interesting facts about stress:

1. Stress is not always negative

- Many people see stress as an opportunity to improve on their performance.
- They see it as a challenge and experience immense satisfaction when they are able to meet this challenge. Eg deadlines

2. Challenge versus hindrance stressors

- Pressure to complete work on time or extra workload are examples of challenge stressors.
- Hindrance stressors prevent a person from reaching his goal. They cause more strain than challenge stressors.
- The performance of employees increase when they get high level of support to face challenge stressors.

3.0 DEFINITION OF STRESS

Interesting facts about stress:

3. **Commitment and stress**

- Employees with positive feelings for the organization convert their psychological stress in to greater focus and commitment to achieve Organizational goals.

4. **Demands and resources**

- Demands on the job may take the form of responsibilities, duties, obligations, pressures, expectations or uncertainties.
- These demands may be emotional or cognitive in nature.
- Whether an individual experiences stress or not depends on the resources he has available to cope with the demands.

4.0 SOURCES/CAUSES OF STRESS

The various potential causes of stress can be divided into three categories:

1. ENVIRONMENTAL STRESSORS
2. ORGANIZATIONAL STRESSORS
3. PERSONAL STRESSORS

The level of stress experienced by an individual is the sum of the different stressors.

4.1 ENVIRONMENTAL STRESSORS

Environmental uncertainties is a major cause of stress and they can be of three types:

A. Economic uncertainty

- Economic downturns affect businesses, which leads to job insecurity causing high levels of anxiety and stress when the economy is in bad shape.

B. Technological uncertainty

- Rapid technology change makes employee skills and experiences outdated, causing constant pressure to learn and update themselves.

4.1 ENVIRONMENTAL STRESSORS

Environmental uncertainties is a major cause of stress and they can be of three types:

C. Political uncertainty

- When there is political uncertainty, employees experience chaos, confusion and stress as the country is not stable and it's not running in a systematic and orderly manner.
- The danger of terrorism has become a cause of stress even in nations that have stable political systems.

4.2 ORGANIZATIONAL STRESSORS

The various Organizational factors that cause stress can be broadly divided into three categories:

B. ROLE DEMANDS

Some specific role demands that cause stress are:-

1. Role Conflict

- Employees often experience role conflict when different people have different expectations from them. Eg The supervisor who is link between the management and the workers experiences stress cause he is often caught between them.

2. Role Overload

- This occurs when the individuals are asked to do more work than they can complete in a specific period of time.

4.2 ORGANIZATIONAL STRESSORS

Specific role demands that cause stress are:-

3. **Role ambiguity**

- When employee doesn't have a clear picture about his work, duties and responsibilities, it cause confusion in the minds of the worker and results in stress.
- This happens because the employee is not sure what he is expected to do.

4.2 ORGANIZATIONAL STRESSORS

The various Organizational factors that cause stress can be broadly divided into three categories:

C. Interpersonal demands

- Pressures and demands of other employees in the workplace can cause stress.
- When the employee does not have a good relation with co-workers, superiors and subordinates or when they do not receive any social support at work, it could cause stress.
- Bullying, sexual harassment, physical fights, racial discrimination can cause a lot of stress to the employees.

4.3 PERSONAL STRESSORS

Some of the personal factors that can cause stress to an employee are:-

1. Family problems

- Quarrels, strained relationships, mental issues, temporary illness can lead to stress that gets carried forward to the work area.

2. Financial problems

- Financial hardships, high cost of living, poor money management reduces the feelings of well being and increases the potential for stress.

3. Personality

- Some individuals tend to focus more on the negative aspects of the world, making them more prone to stress.

5.0 INDIVIDUAL DIFFERENCES IN THE EXPERIENCE OF STRESS

There is a large difference between people with regards to the cause of stress and their ability to cope with stress. Four factors that cause this are:

1. Perception

- Rather than the situation, how an employee interprets the situation will decide whether he experiences stress.

2. Social support

- Support and backing of co-workers, superiors and subordinates can greatly reduce the impact of stress.

5.0 INDIVIDUAL DIFFERENCES IN THE EXPERIENCE OF STRESS

There is a large difference between people with regards to the cause of stress and their ability to cope with stress. Four factors that cause this are:

3. **Job experience**

- There is a negative relation between job experience and job stress. The more experience on the job, the less stress experienced. There are two reasons for this:

a) Selective withdrawal

Employees who are unable to cope with stress on their jobs are more likely to voluntarily quit. Those who continue have more stress resistant traits.

b) Coping mechanisms

Employees who have been there on the job for long, learn to adapt and develop their stress coping mechanisms.

5.0 INDIVIDUAL DIFFERENCES IN THE EXPERIENCE OF STRESS

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4. **Personality**

- Individuals who are high on neuroticism believe that there are stressors on their job and view the world as threatening. Therefore they experience higher levels of stress and rather than facing the problem, they tend to avoid or run away from it.
- Workaholics experience more stress and burnouts.
- Even though they work very hard, they may not be that productive.
- Some traits of workaholic employees are:
 - a) *they are obsessed with their work.*
 - b) *They put in extremely long hours at work.*
 - c) *They are continuously thinking about their work even when they are not working.*
 - d) *They keep taking more responsibility in order to satisfy their internal desire to*

6.0 CULTURAL DIFFERENCES IN THE EXPERIENCE OF STRESS

The job conditions causing stress vary across cultures. Research has found that:

1. Employees in the US experience stress when they do not have adequate control over their jobs.
2. Job evaluation and lack of training is the major cause of stress among Chinese employees.
3. Managers of individualistic cultures experience more stress when work interferes with their family life. They see working extra hours as personal achievements have been given more importance than family.
4. In collectivistic cultures, working extra hours is seen as a sacrifice for the family.
5. There are no differences in the experience of stress across cultures due to personality traits.

FUNCTION/WORK OF A MANAGER



To highlight something important



To ask a question



When giving a reference to extra/additional reading



Question to be solved (in class)



Important definition



To quote someone