Effects of Organizational Stress

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Bearing the Financial Burden

There are serious financial consequences that accompany organizational stress. The downstream effects of stress can cost companies hundreds of billions of dollars each year. Organizational stress can translate into:

- Increased healthcare costs
- Reduced productivity
- Turnover
- Decreased worker engagement
- Lower employee morale
- Increased sick leave

To see the full cost of organizational stress, check out the infographic below.

Effective Managerial Tactics

Reducing organizational stress is the responsibility of company owners and managers. The following tactics can have a direct impact on lowering stress or an organization.

Communicate

Communicate effectively with your employees. Talk about stress management and the benefits of work-life balance. Ensure that your employees understand that you are committed to their well-being.

Relax

Relax as much as possible. It is important that you model healthy stress management behaviors for your employees. Consider offering stress management classes or workshops to help employees develop coping strategies.

Stress Management

Stress management techniques can help employees manage stress better. Encourage employees to use stress management techniques such as deep breathing, meditation, and yoga.

Effective Managerial Styles

Leadership styles can have a significant impact on organizational stress. Consider the following styles:

- Transformational: Leaders who inspire and motivate employees to reach their full potential.
- Transactional: Leaders who focus on rewarding employees for meeting goals.

Strategies for Managing Stress

Strategies for managing stress can help employees cope with the demands of their jobs. Encourage employees to use strategies such as:

- Time management
- Goal setting
- Stress management techniques
- Time away from work

Sources