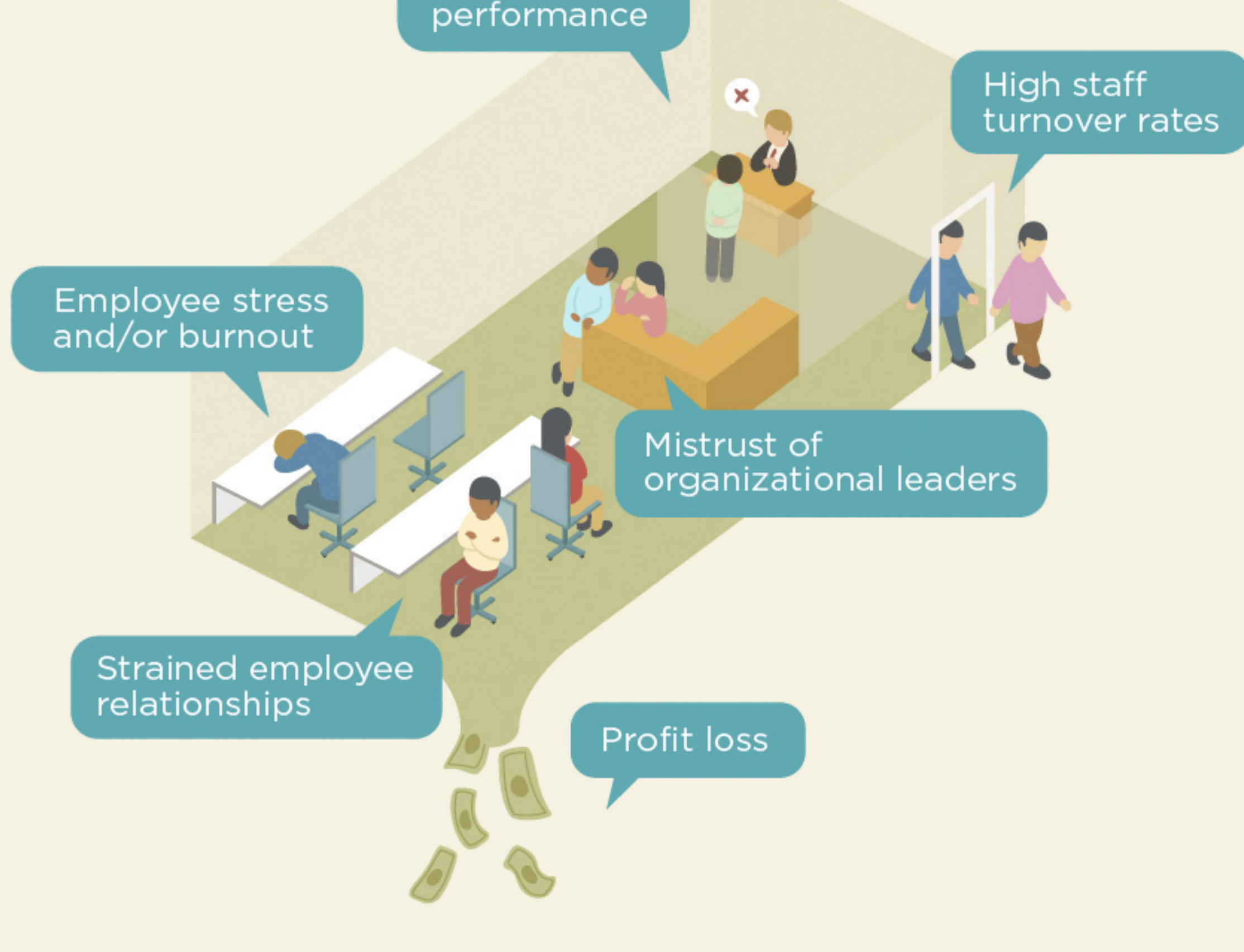


Surviving ORGANIZATIONAL STRESS

Effects of Organizational Stress

When an organization experiences stress, the workplace can be negatively affected in a number of ways:



Bearing the Financial Burden

There are serious financial ramifications that can stem from organizational stress.

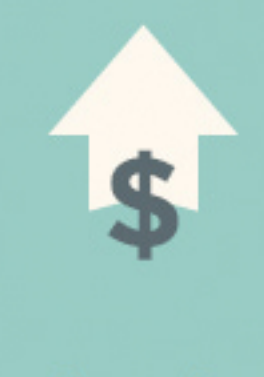
Organizational stress can escalate costs for employee:



Health Benefits



Absenteeism



Turnover



Worker's Comp

Employee stress costs American businesses about **\$300 billion per year.**



Employee stress

Mental health issues cause another **\$150 billion in business losses.**



Mental health issues

\$ = 100B

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 in an organization.

Communication

Managers should communicate with employees often, especially to provide performance appraisals, recognize a job well done and facilitate staff meetings.



Flexibility

Inflexibility and uniformity in the workplace has been tied to employee mindlessness, greater likelihood of unethical decision-making, apathy, carelessness and lack of pride.



Rewards

Employers can use a four-fold approach of rewarding employees that includes pay, benefits, a positive work environment and development opportunities.

Incentives can work too, but don't overdo it - if your employees have to be bribed to work, there's a deeper issue.



Motivation

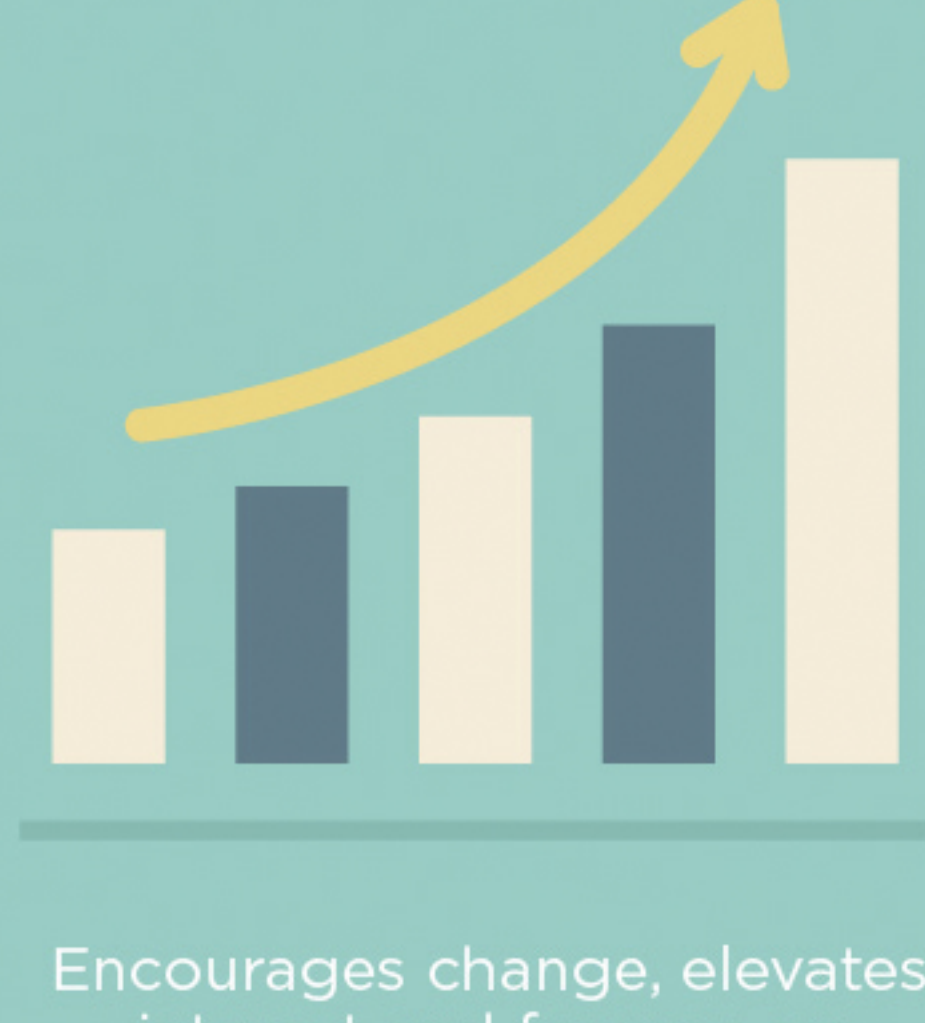
Employee motivation starts with covering their basic needs. But their other motivators can be utilized to lower stress and boost productivity.



Effective Managerial Styles

Certain management styles are more effective at reducing organizational stress. Consider the comparison between these two styles:

TRANSFORMATIONAL



Encourages change, elevates interest and focuses on **good of the organization over self-interest.**

TRANSACTIONAL



Clarifies tasks, facilitates efficient interactions and focuses on the **benefits of self-interest.**

Transformational leadership has proven to be more powerful at motivating employees and creating productive workplaces.

Consider these case studies:



R&D teams with transformational leaders produced **4 times** as many patents as teams with transactional leaders.



Businesses with transformational leaders had productivity levels that were **37.5% greater** than those with transactional leaders.

Sources

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