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### THE FINANCIAL AND REAL ECONOMY: TOWARD SUSTAINABLE GROWTH

# THE STRESS MANAGEMENT AS A STRATEGY FOR INCREASING OF THE COMPETITIVE ADVANTAGE OF THE COMPANIES

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Abstract: We all live in time of unpredictable and quick changes. The effective and efficient management with its challenges modifies working conditions of companies, management and employees. So the traditional way of working should be replaced by modern and variable working conditions. The aim of this work is to show the importance of stress management strategies inside and outside the working environment, recognizing the reasons of the stress and stress protection for the employees as one of the risk factors that influences working productivity and efficiency. For that purpose, empirical research was conducted by sending the questionnaire to companies and most of them have had an interest to give us a relevant and full answers. Thus, companies in the Republic of Macedonia still have not implemented strategies for stress management inside and outside the working environment and their managers can't recognize nor control the stress of the employees. The conclusions of paper emphasize the fact that employees are also development factor of companies and the strategy of stress management is to improve their competition advantages.

**Key words:** Republic of Macedonia, company, stress, stress management, human resources, competitive advantage

#### Introduction

The stress is a usual and normal appearance today as a result of the reactions of threats and changes in our environment as well as from demands expected to be fulfilled by one person. According to Hans Selye – founder of the modern theory of stress , the stress is an uncommon respond of our body to the changes demands.  $^{1}$ 

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<sup>&</sup>lt;sup>1</sup> Hans Selye, (1936) A Syndrome Produced by Diverse Nocuous Agents, *The Journal of Neuropsychiatry and Clinical Neurosciences* 1998;10:230a-231.

The stress appears as a result of the reaction of the stressor. The stressor indicates the source of the stress, that could be normal event or many events that according to the estimation of one person appears as a danger for this person.

The stress is always a relationship between the person and the environment and not the characteristics of the environment itself nor is characteristic of the person. <sup>2</sup>The symptoms of stress could be of physical or mental nature as a result of the physiological, emotional and cognitive reactions from the stress. Usually the biologically programmed forms of stress are not dangerous for the organism. The real problem for the organism of one person is the condition of the increased, long-term stress where the person cannot deal with it and control it. The stress-sources are all around the people. The stress cannot be avoid but can be controlled or mange successfully. The negative stress is a condition that the person cannot control it.

#### The Stress at Work

In the conditions of extreme unpredictable changes at the working environment every company and the employees are influenced on a daily basis to stress and the stressors. There are number of factors that influence the accelerate changes of the working. The stress appears everywhere in our environment as an element that cannot be avoid but could be controlled. The condition of stress at work could be defined as an amount of undesired, harmful physiological, psychological and behaviouristic reactions to the conditions where the demands of the company are not in accordance with the capabilities, possibilities and needs of the employee. The stress in the company could appear as follows: As a result of in competences between the demands of the environment from the one hand and the possibilities of the employee to full fill the needs of the environment and the company from the other hand related with negative consequences and appearance of stress condition:

- Changes of great importance for the company and the employees are potentially stressed, conditions cousing uncertanity and forcing the need to adapt to the threats and changes,
- Stressful professions with great responsibility towards the material values or responsibility for other people, working close with people or "working under pressure".

Different professions are exposed to different intensity of risk. Usually as a stressed professional are marked the following: pilot, life-guard, miner, construction workers, flying controller, doctor, prison guarder etc. At the same time, the managers are rated as professions exposed to high-level of stress.

Very important fact for the employees in the company as well as all subjects influenced with the stress is the recognition of the stress reaction, the procedure and the means of acting in the stress condition. The stress at the employee is usually connected with the psychological overloading of the employees. The source of the psychological

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<sup>&</sup>lt;sup>2</sup> Lazarus, R. S. and Folkman, S., (1986): "Cognitive theories of stress and the issue of circularity" In M H Appley and R Trumbull (Eds), p. 57

<sup>&</sup>lt;sup>3</sup> Sauter, S. L., and Murphy, L. R. (1995).: "Organizational risk factors for job stress", American Psychological Association Washington, DC, p. 25

overloading of the employees can create condition of continuous stress with direct influence to the work responsibilities, good working atmosphere, possibilities for promotion and positive working environment.

The environment of the company and the work organization are of great importance for the psychological condition of the employees. The stressors create permanent tense to the employees, conflict situations and unpleasant working atmosphere. The long-term stress condition or condition of continuous stress influence the health of the employees, the security at work as well as to the efficiency and effectiveness of the company.

#### **Reasons for Stress in the Company**

The stress could influence every employee regardless of job position in the company. Every employee in the company are equally exposed to the stress due to the fact that every person individually reacts to the stress but is related to the following factors: job position itself, personal characteristics of the employee, of education, sex, age, family status, qualifications and abilities for self-estimation, personal judgment of the situation and ability to control reactions to the changes and behaviour. The stress of the employees in the company appears as a result the influences of deferent factors: factors and outside factors.

The inside factors from the employee himself and contents the underestimate or low estimate personal desires from the job its, high sensitivity for self-responsibility in every segment of the working in the company, identification of the personal with the company condition, in appropriately behaviour regarding the working time, high level of un security, not ability and no knowledge for the job duties.

In the outside factors for stress are the factors coming from the following segments: job organization, structure of the organization process, communication inside the company, working time-schedule, changes of the working time, extra work hours, the environment inside the company and the financial aspects of the working: low pay or no payment hours, in appropriately criteria for the bonus payment, un regular payment time, benefits etc. The excitement of the changes, could produce stress from loss the job posit, decreasing of the salary and the finance benefits, producing conflicts, un precise job duties, decreasing of the number of the employees etc.

Employees of the company are infected from the stress inside the company but the same time are exposed to the stress coming from different stressors as family, the close relationships with the relatives, friends etc.

### The Stress Management as a Part of the Organization Culture

The employees in the company feel the stress every time when there is unbalance between their personal requirements and the demands expected to ful fill.

The basic goal for every company is to create conditions for growth and development through innovative strategies prediction of future moments that could be sources of stress. In this way the companies could in different strategies aiming prediction, decreasing and controlling of the stress for the employees in normal levels.

The persons-employees are the most important and unique factor that could change aiming to improve the competitive advantage and the respect of the rule: the real person for the real job-position is direction for implementation of the successful strategy for stress management.

Of great importance for the managers of the company and the employees as well is the ability of reducing the intensity of the stressors inside and outside the company. The companies and their managers could apply various measures to decrease the level of stress at the job. The harmony in the working environment builds with good human relationship inside the company and care for certain relationship between the company and the family of the employee.

The strategies for the stress management are introduced as part of the organizing culture. The organizing culture of the company is amount of expectations, norms, values and working habits that infects the models of influence and cooperation of the persons, groups and teams in order to ful fill the goals of the organization. Thus through the organizational culture employees are showing their different ways of behaviour and working manners as well as their interactive relations outside the company. The companies are different in their way of how weak or strong is their organizational culture. When the employees in the company shows strong connection for the common cultural values, believes and habits then the company has strong organizational culture. On the other hand, when the employees are not strong connected for the common issues the organizational culture is weak. If the organizational culture is strong than everyone is persuaded that inside the company could become a person, because of the influence of the behaviour of all members. <sup>5</sup> The organizational culture could be created, maintenance and transfer to all employees in the company, through the values of the manager or the owner of the company. Depends of the type of the organizational culture it should be developed appropriate strategy for stress management because the organizations with strong organizational culture use number of measures to determine the working habits of the employees in their job duties.

The companies with strong organizational culture are resisting the influence of the stressors different from the companies with weak organizational culture where the influence of the stressors is increase. The managers of the company have the biggest role in the process of creation of the organizational culture and the strategy of stress management. The instrumental values influence the work of the managers and their behaviour. The behaviour of the managers is reflected to the working pleasure and connection to the company. The good mood and the positive emotions of the managers is sense or state of mind directly connected with the sources of the concrete situation. The state of mind and the emotion of the manager for the company influence the behaviour of all employees of the company. Managers of different companies develop different strategies of the organizational culture and stress management. The strategies for the stress management are realized by the employees of the company through the values of their manager, owner or the employees and the processes of socialization, ceremonies, rituals, recreate activities and join parties, organized picnics, sport events etc. Manager or owner of the company demands their respect, understanding, tolerance, respect of the rules of working and behaviour, respect of

Schneider B. and Smith D.B., (2004): "Personality and Organizational Culture", *Personality and Organizations*, New York., Lawrence Erlbaum, 2004, pp. 347-369

<sup>&</sup>lt;sup>4</sup> Jones G. and George J., (2008): "Contemporary Management", The McGraw-Hill Companies, Inc. p. 109
<sup>5</sup> Schneider B. and G. id. B.B. (2001). (7)

the formal procedures. Many times the personal values of the manager and the employees influence the realization of the competitive advantage. The managers of the companies expect from their employees to work hard, precise and manage all stress situations inside and outside the company. The maximum loyal employees realizes the organizational goals, leaded by the managers with understanding for the emotions of the employees and control the emotions of their own and are always in front of their competitors.

#### **Stress Management Strategies in the Company**

The effective management with the company understands overcoming the different obstacles of the work and creating an appropriate strategy. The managers transfer their own vision of what they want to realize in the company through the strategy. If the employees agree with the vision and create their behaviour to the manager, they take responsibility to work hard, stress work necessary for the creative and risk development of the strategy. In order to increase the competitive advantage of the company the manager could implement some of the following strategies for stress management:

- Preventive strategy or practicing a strategy to discover the sources of stress before the employees face the real problems,
- Strategy for decreasing the influence of stress after rising the real problems, and
- Management strategy or maintenance the stress to the place where appears.

Formulating each of the above mentioned strategies starts with systematic analysis of the factors inside the company and the outside environment that influence to the realization of the organizational goals of the company.

Of great importance for the company is the manager to foresee the real condition of the employees and analysis detail the factors sources of the stress condition. The contribution of the managers for maintenance and control of the stress in reasonable level contributes to development of the wellness of employees. Human resources are important factor that influence the organizational development. High-motivated human resources develop strong professional values and behaviour norms. In order to be motivated, human resources should be free and capable to control the stress at work and outside.

The preventive strategy or strategy of discovering the sources of stress before employees face the real problem is part of the concept of the organizational culture of the company. This strategy realizes through the principle of good human relations, trust, open cooperation and communication and introduction of the concept of time management. The communication is a condition for increasing of the competitive advantage of the company through which employees learn abilities for work with new processes, spread the own skills, contributing to discover the factors that are sources for stress of the employees. This strategy for stress management is less formal different from the strategy for decreasing the stress influence after real problems appear where managers have certain activities.

<sup>&</sup>lt;sup>6</sup> D. I. Jung and B. J. Avolio, (1990)" Opening the Black Box: An Experimental Investigation of the Mediating Effects of Trust and Value Congruence on Transformational and Transactional Leadership: 1992 Beyond ", Journal of European Industrial Training, pp. 20-35

The strategy for decreasing the stress influence after real problems appear also present part of the concept of the organizational culture of the company and demands realization of certain activities for overcoming the rising problems. The open and real communication is pre-condition for overcoming the problem. The stress management realizes through programs for overcoming the negative emotions and problems. Organization of parties in the framework of the company, development and practicing the ceremonies and rituals are part of the program for overcoming the negative effects. The ceremonies and rituals are also formal events for the importance of the company as whole. As part of the strategy managing the negative events is also the introduction of the sport programs. Practicing one physical activity and sport in appropriate equipped rooms in the frame of the company is one of the forms to manage the negative emotions coming from stress situations.

The managing strategy or maintenance of the stress to the place where appears is realized through programs for controlling the stress and stress factors at the place where it appears. It means that the process of open communication shows the source of the negative events, the company or the environment as family or home. Discovering the location is precondition to control the stress and maintenance the condition not to be transferred from one to the other location. The appearance of stress conditions in the company should be solved only in the frame of the company and not to be shared with the members of the family, friends and vice versa. The appearance of stress situation in the family should not be transferred and shared with the colleagues. The ability of self-control and management with negative events is of great importance for the realization of this strategy.

The stress control is base for effective working of the company bearing in mind that controlling the negative emotions (not only the personal characteristics as ability of work, discipline) coming from the activities of the stressors, results with successful realizations.

### **Researching Methodology**

In order to determine if the companies in the Republic of Macedonia apply certain activities or strategy for stress management for the employees, there is a practical research. At the practical part of this book there is a methodology of questionnaire used for this project. <sup>8</sup> The questionnaire has ten questions and was delivered to 120 companies from the private sector of the Republic of Macedonia. Out of he questioned 120 companies, 89 companies showed great interest and answered the questions while the rest of the companies didn't show any interest and didn't answer the questions.

According to the results from the conducted research we could conclude that the first question: *Is transparency exists in the working of your company?* – All of the managers filled this question positive – 100% of them thinks that they work transparently. For the question No. 3: If they realized formal ways of communication with employees?, -51 of managers or 57% from the total questioned answered positive and 38 of managers or 43% answered negative. The question No. 10: Do the company has certain rituals and ceremonies? – 69 of managers or 61% answered positive and 20 of managers or 39%

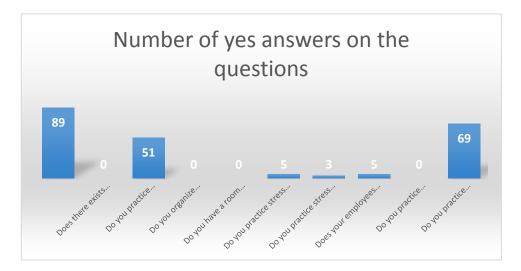
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<sup>&</sup>lt;sup>7</sup> Berger P.L. and Luckman T., (1967): "The Social Construction of Reality", Garden City, New Jersey, Anchor Books, pp. 34-55

<sup>&</sup>lt;sup>8</sup> The Questionnaire is attached in Annex 1

answered negative. Only 5 of managers or 4, 4% of questioned managers answered positive that they have strategy for stress management and 3 of managers or 2, 6% from questioned managers answered positive to the question if they have strategy for stress management outside the company. The biggest part of questioned managers or total of 89 managers answered negative to the rest of the questions and confirmed the theory that they don't have informal communication with employees, does not organize parties in the frame of the company and they don't have flexible working hours. Also, in the frame of their company there is no adequate room for party or sport and only a small part of managers 5 of them or 4, 4% from questioned managers confirmed that their employees are aware with the strategies of stress management. Received data are processed graphical and tabular.

Question/answer	Is there transparency at workplace?	Does there exists informal communication at workplace?	Do you practice formal communication?	Do you organize parties and companionship?	Do you have a room for fun and relaxation?	Do you practice stress strategy in your firm?	Do you practice stress strategy out of your firm?	Does your employees are familiar with the stress strategies?	Do you practice flexible working hours?	Do you practice ceremonies and rituals?
Yes	89	0	51	0	0	4	3	5	0	69
No	0	89	38	89	89	84	83	84	89	20



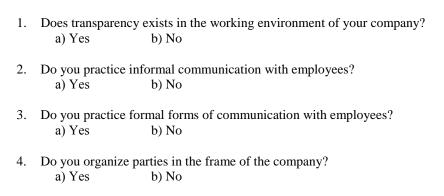
According to the received data we could conclude that the companies in the republic of Macedonia still have not implemented strategies for stress management inside and outside the working environment also don't have provided conditions for places for parties and recreation in the frame of the company. The stress management aims to decrease the stress of the employees especially the permanent stress. The results of the research shows that the companies does not have implemented strategies for stress

management inside and outside the working environment and their managers cannot recognize nor control the stress of the employees. The stress acts negatively to the employees and could be transferred to the company and its working.

#### Conclusion

One of the most existing problems in the daily working is the stress in the company and the environment. The stress as daily-based appearance in the companies usually is connected to the employees, organizational culture of the company, communication inside and outside the working environment and the form of resolving the conflict situations. The effective and efficient management of the company changes the working conditions and demands introduction of new modern strategies for management of the company in order to improve the competitive advantage. The new forms of working basically express the importance of the employees as unique element that could change itself and adapt for increasing of the competitiveness of the companies. The stress management skills of the employees are abilities for discovering and controlling the stress. The recognition and controlling of the stress requires introduction of appropriate strategies for decreasing of the stress by the managers inside and outside the working environment. Managers have the possibility to implement strategy for recognition of the sources of stress before employees face the real problem, strategy for decreasing of the influence of the stress after real problem appears and strategy for management or maintenance the stress to the place where started. Managers have to know always that only the satisfied employees are "good employees" like the only way to realize the goals of the company. Due to this fact, managers should know always that the stress management strategy is useful tool with positive influence to the working. But the researching results showed that many companies in the Republic of Macedonia does not have strategy for stress management or other tools, programs for recognition, controlling and managing the stress. The best organization efficiency is the one here the employees come to the work with pleasure and leave the work with satisfaction. The employees are satisfied when they are free of stress inside and outside the working environment. This confirms the fact that the employees are moving force of the company and the recognition and controlling of the stress presents the successful management strategy aiming to increase the competitive advantage of the companies.

### QUESTIONNAIRE



5.	Do you have appro a) Yes	priate place for party or sport in the frame of your company?  b) No
6.	Do you practice str a) Yes	ategies to control the stress at work? b) No
7.	Do you practice str a) Yes	ategy to control the stress outside the work? b) No
8.	Are the employees a) Yes	are introduced with the strategy for stress management? b) No
9.	Do you have flexib a) Yes	le working hours in your company? b) No
10.	Do you practice cer a) Yes	rtain ceremonies and rituals in your company? b) No

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### UPRAVLJANJE STRESOM KAO STRATEGIJA POVEĆANJA KONKURENTSKE PREDNOSTI PREDUZEĆA

Rezime: Živimo u vreme nepredvidivih i brzih promena. Efektivno i efikasno upravljanje sa svim izazovima modifikuje uslove rada kompanija, menadžmenta i zaposlenih. Dakle, tradicionalni način rada treba zameniti modernim i promenjivim uslovima rada. Cilj ovog rada je da ukaže na značaj strategija upravljanja stresom unutar i izvan radnog prostora, prepoznavanje razloga stresa i zaštita od stresa za zaposlene, kao jednog od faktora rizika koji utiču na radnu produktivnost i efikasnost. U tu svrhu sprovedena su empirijska istraživanja slanjem upitnika kompanijama, i većina njih našla je interes da da relevantne i pune odgovore. Tako kompanije u Makedoniji još uvek nisu primenile strategije za upravljanje stresom u i izvan radnog okruženja, i njihovi menadžeri ne mogu prepoznati niti kontrolisati stres zaposlenih. Zaključak rada je da su i zaposleni faktor razvoja preduzeća, i da strategije upravljanja stresom mogu povećati njihove konkurentske prednosti.

**Ključne reči:** Republika Makedonija, kompanije, stres, upravljanje stresom, ljudski resursi, konkurentska prednost