CHAPTER 3

MANAGEMENT STRESSORS

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In recent years, the problem of executive stress has taken its toll on human enterprises, large and small, by aborting careers, limiting the effectiveness of executives and subordinates alike, and by generally debilitating the resources of those enterprises. Some degree of stress is, of course, essential to life; without any stress the organic system disintegrates. When, however, stress becomes excessive or uncontrolled, it can cause, or contribute to, sickness and even the premature death of the over-stressed individual. Much of the literature on executive stress deals with these aspects, its deleterious effects on the individual. Little consideration has been given to its effects on the organization or enterprise in which the over-stressed individual operates. This paper invites attention to the organizational implications of executive stress by identifying a potential stressor and describing a case illustrating its effects.

First, however, a few words about the magnitude of the problem of executive stress and about the manner in which executive stress arises may serve to put the matter in perspective.

THE COSTS OF EXECUTIVE STRESS

In a recent analysis, the annual costs of executive stress in this country were estimated to be between $10 and $20 billion--a figure higher than the gross revenue of any one of all but the three highest industrial corporations included in the Fortune 500 list (Greenwood, 1977). The conservative nature of this estimate is attested to by the fact that it covers only the directly measurable, tangible costs of executive stress--such items as: work loss days, hospitalization, outpatient care, and mortality of executives. The estimate does not include the indirect costs of such items, nor of the costs (direct or indirect) of restricted activity and decreased productivity of executives. Nor does it include the intangible costs of the observable and inobservable effects of the over-stressed executive on his associates and others, or on the organization as a whole, or on other organizations with which he relates. This same analysis indicated that the costs related to these factors and others which would have to be included to make a complete and more thorough analysis are unknown and with present methods of data collection will remain unknown. Thus, the above mentioned estimate of the costs of executives stress (based on only partially available data) constitutes a very conservative appraisal of the situation. Clearly, even with this low estimate, we have a problem whose significance is worthy of widespread attention. (A summary of this analysis may be found in Table 3.1.)

Table 3.1

Costs of Executive Stress

	Conservative Estimate	Ultraconservative Estimate
Cost of Executive Work Loss Days (salary)	$ 2,861,775,800	$1,430,887,850
Cost of Executive Hospitalization	248,316,864	124,158,432
Cost of Executive Outpatient Care.	131,058,235	65,529,117
Cost of Executive Mortality	16,470,977,439	8,235,488,720
	$19,712,128,238	$9,856,064,119

A MODEL OF MANAGEMENT STRESS

Alan McLean has suggested that a stressor will produce symptoms only in conjunction with two other factors: context and vulnerability (McLean, 1975). Dr. McLean postulates a model (Figure 3.1) and reminds us that parts of the model are dynamic, constantly changing with the events taking place in the individual's life.

Figure 3.2 is a modification of McLean's model; it divides each of the three factors into two parts: personal and organizational. This division of each factor into the two parts--personal and organizational--is obviously arbitrary and for purposes of discussion in this paper only. There are, of course, many other sources of stressors in the environment; likewise the context contains many other aspects. For example, the model suggests that the modern manager is subject to both personal and organizational stressors. Stresses arising in the family would tend to be personal stressors, while the introduction of a new product line might serve as an organizational stressor. It is important to note, however, that any stressor given the proper context and vulnerability will produce symptoms. Managers are also subject to both personal and organizational vulnerabilities. The individual's personality, his education, his mood following a poor performance appraisal or his concern about an upcoming reorganization would represent personal vulnerabilities. Any condition of the structure or processes of the organization which the manager senses as a potential weakness, exposing the organization to threats against its health or life, constitutes a vulnerability of the organization. For example, inadequate cash reserves, inadequate capital for expansion, weakness in sales, or poor product performance, all constitute organizational vulnerabilities.

Context may also be divided into personal and organizational categories. The management style of his organization can be viewed as part of the organizational context while the size of the individual's bank account is a factor in his personal context.

The reason for this elaboration of McLean's model is to point up specifically that the manager has a choice in how he is going to deal with the management of his own stress symptoms. First, he can take steps to reduce his personal vulnerability by a wide variety of means that are currently receiving widespread attention in the literature. For example, there are several meditative techniques from which to choose, each of which promises to induce relaxation and relieve the tension of his regular activities. Meditation is a personal approach to stress management. Likewise, by prudent personal budgetary management an individual can increase his bank account, which will tend to increase his feeling of security; thereby, affecting the context of stress situations. Given enough in his bank account, he can leave the organization and retire--thereby, effecting a radical change in the context.

Granted that the categorization we have developed by dividing each of the three factors of McLean's model into two parts represents a somewhat fuzzy classification, but our intent here is not to focus on personal solutions, rather to suggest the variety of factors giving rise to the problem of management stress.

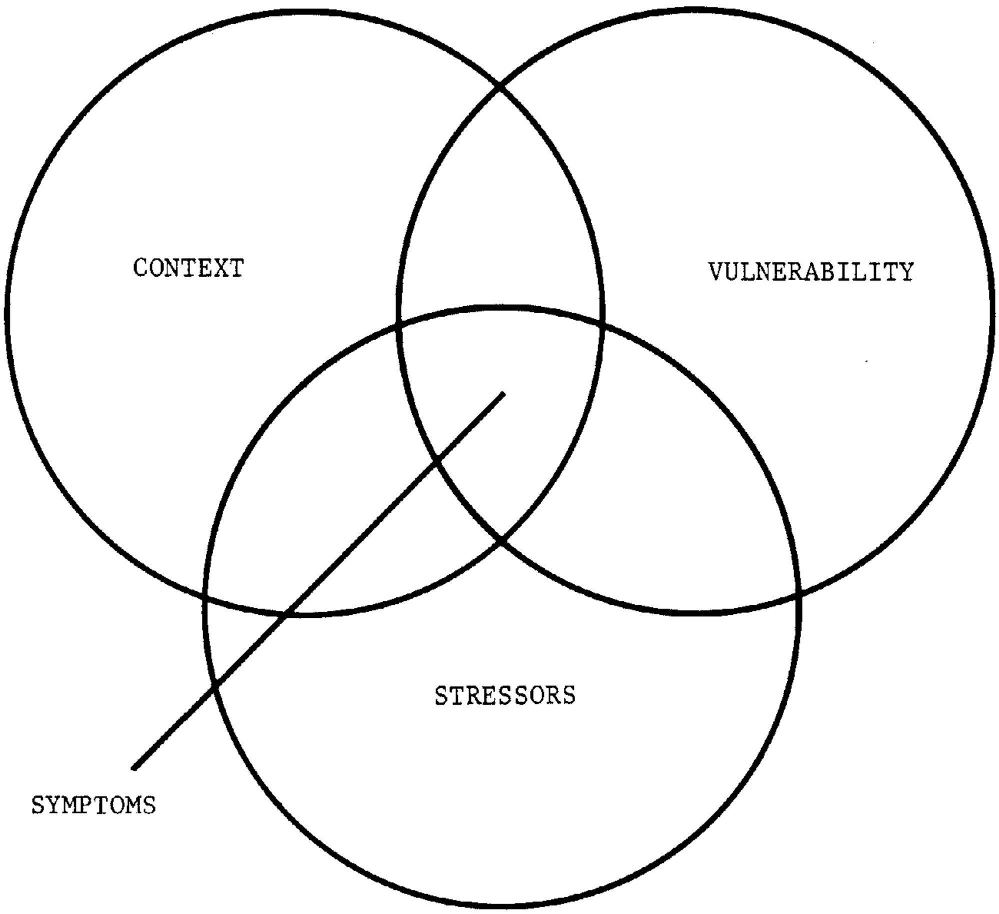
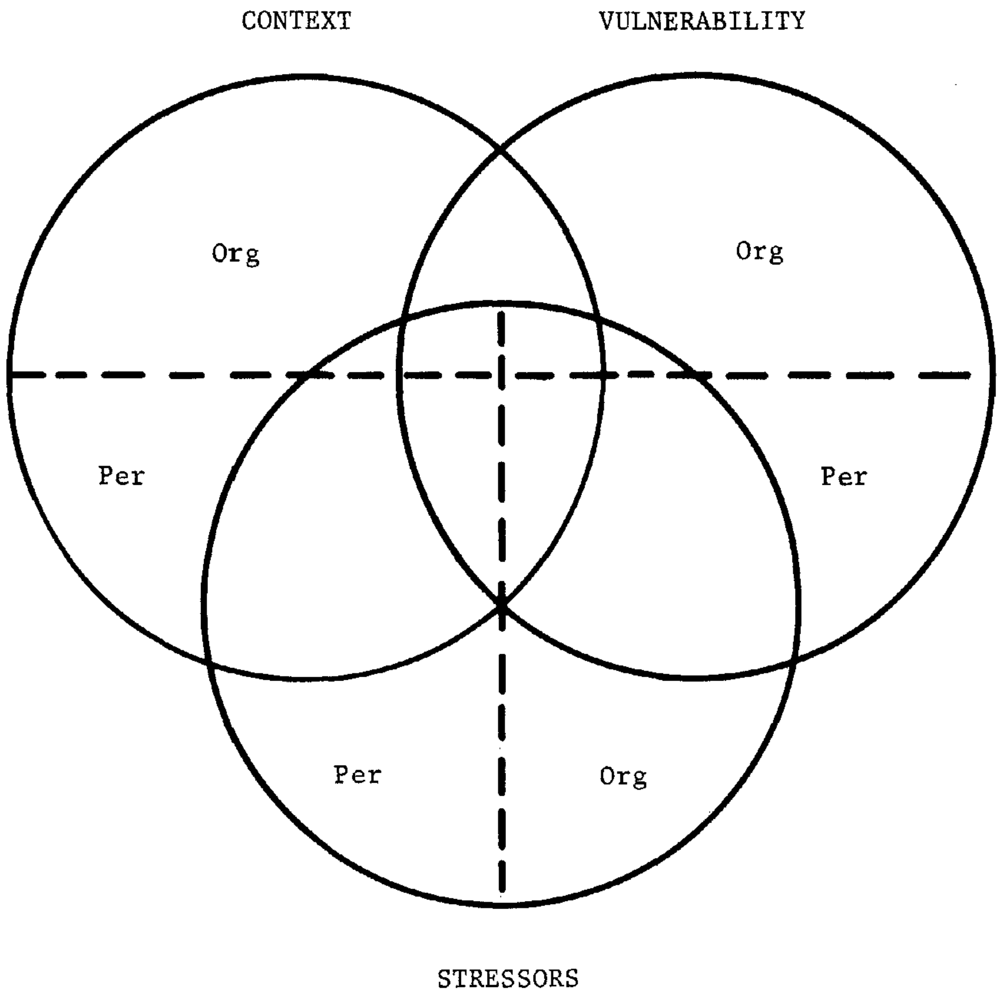


Figure 3.1 The McLean Model



Per = Personal

Org = Organizational

Figure 3.2 A Modified McLean Model

CAUSES OF MANAGEMENT STRESS

From the foregoing discussion, it becomes apparent that, given the right context and the appropriate degrees of vulnerability, almost any event may serve as a stressor for some individual, and that is one of the conclusions of the above mentioned study of executive stress (Greenwood, 1977). The triggering event may be internal (physiological or psychological), or external (environmental); it may be perceived or unperceived; it may be real or even imaginary. So long as it occurs when the individual's vulnerability is sufficiently high, and in a facilitating context, it will have a stressful effect.

Thus, it becomes apparent that even otherwise favorable events--such as pleasant weather, a promotion in rank, an increase in salary, the birth of a child, or the successful completion of a project--may sometimes serve as stressors. This being so, our next proposition should come as no suprise: <u>the principles of management may serve as a source of executive stress</u>.

THE PRINCIPLES OF MANAGEMENT AS STRESSORS

We have inherited from students and practitioners of management a number of guidelines in the form of so-called management principles. Some of these principles may be traced back to the Bible; while others are of more recent vintage, writings of the late 1800s and early 1900s. The so-called principles are still taught, unchallenged, in some of our better business schools. Specifically, one may refer to the works of Frederick W. Taylor and Henri Fayol. These men laid down for posterity some principles of management which many modern managers try to follow today. We suggest that these principles of management, given the right context and degree of vulnerability, represent significant stressors for management.

One reason for this, and it is rarely understood by managers, is that some of the principles of management are contradictory. Some principles, for example, advocate punitive measures to secure obedience, while others favor a more humanistic approach. Any manager who blindly tries to follow these principles of management without giving sufficient thought to their effects in modern organizations is likely to suffer some mild stress, but in some cases the stress may be severe.

The manager is literally a man in the middle. He interfaces with, and mediates the demands of, his boss and his subordinates, each with their own personal goals and desires. If he deals with the government, suppliers, or customers, he must resolve the conflicts which inevitably arise between these organizations and his own.

He has a status and success orientation and, for many managers, upwardly mobile aspirations. To achieve success he must take risks (even playing it safe can be risky). Risks are frequently the source of stress since the outcome is unknown (failure is a possibility), and the accompanying uncertainty can be the source of at least mild anxiety.

The modern manager is also suffering from the vagaries of the modern economy and its concomitant inflation. He is under pressure to either increase productivity or reduce costs. There are pressures for higher profits from his superordinates and simultaneously he is under pressure for higher wages from his subordinates.

All of this is taking place in a time of accelerating change, the world of future shock with its devastating discontinuities. America is the first post-industrial society, a society in which over fifty percent of the people and over fifty percent of the gross national product are employed in services (Bell, 1973). One major factor in the post-industrial society is the pre-eminence of the knowledge worker, a worker hired to apply his knowledge to produce results (Drucker, 1974).

One example, among many, of the knowledge worker, is the computer programmer, with his knowledge of computers, systems, and applications. According to Peter Drucker, we do not yet know how to properly manage the knowledge worker; the old models do not work and we have yet to formulate new models. So the manager is frequently in a quandary. He needs knowledge and information to operate in a world of accelerating change, but he does not know how to manage those he must rely upon to provide much of that knowledge and information. The old, established principles of management seem not to be applicable or provide conflicting guidance.

As if that were not enough, he must contend with rapidly changing social conditions and social values. The manager who is experiencing the generation gap at home with sons and daughters is likely to have the same problem at work with younger subordinates. The various liberation movements can be merely interesting or intensely aggravating, depending on how close they come to the manager. But he and his organization must face their responsibilities for equal opportunity, environmental responsibility, and occupational safety. Society as a whole demands that the manager be responsible.

None of this assumes that the manager himself is having personal difficulty or any interpersonal difficulty in the organization. Yet, aparently, half of the managerial class suffers from workaholism, or Type A Behavior patterns (Friedman and Rosenman, 1974), while at least some of those at the pinnacle of the organizational pyramid suffer a variety of psychiatric disorders (Wolman, 1973).

That interpersonal difficulties exist is well known in corporate halls. According to Auren Uris, "... the average company is a cesspool of resentment, frustration, anguish, and hate" (Uris, 1972). This opinion is confirmed by others (Schoonmaker, 1969, and Peskin, 1973).

We shall not, however, give our attention to all of these problems here. Instead, we shall explore one simple case in which many of the factors listed above existed either implicitly or explicitly.

CONSENSUS TEAMS

The company involved is a well known manufacturer and distributor. The problem was in the data processing organization of the company, specifically in the Data Processing Operations Control Department. This is a clerical operation where computer input is processed and prepared prior to its entry on the computer. After the work has been processed by the computer, additional clerical and control work is necessary before it is distributed to final users of the data.

This department had one supervisor and ten clerks. Most were women, including the supervisor. One woman had been with the company for 32 years and another for 31 years. At the other extreme were three employees with two and one-half years of service with the company.

Specifically, the problem was low productivity, poor morale, and strained interpersonal relations. Work was highly fractionated and specialized--if any member was absent, the other department members could not cover and outside help had to be brought in. Supervision was the hovering type, the supervisor being technically oriented rather than people-oriented.

This company has a personnel system that requires the posting of job openings within the company. Employees interested in applying for these positions need only write their names on the posted announcement in order to activate a process which could result in promotion or transfer. Three people in the Operations Control Department were actively bidding on jobs--they wanted to get out of that department, and were bidding on everything. Obviously this condition reflected poorly on their supervisors.

Stress manifested itself throughout the management ranks of the company. Not only was productivity down, but there always seemed to be a crisis whose origins could be traced to this particular department. In addition, there were frequent personnel situations which required management attention.

In order to solve the problems of the Operations Control Department, and with hopes of a simultaneous reduction in stress throughout the managerial ranks, an innovative approach was taken. The supervisor was transferred to a training job and the clerks were given the opportunity to operate as a consensus team.

The most outstanding characteristic of a consensus team is the total absence of a leader, a flat contradiction of the management principles of unity of command and hierarchical organization. All team members are interdependent. Each is trying to achieve the total team productivity objective, for which they are all jointly responsible, each person making his or her contribution to achieving results.

Many managers find it difficult to visualize a group without a leader, and this is a crucial point. Leaders depend on situations--instead of having a designated leader, the consensus team allows individual contribution by relying on each individuals's personal strengths. It appears that this focus on strength actually eliminates or at least minimizes weakness in the consensus team.

The consensus team actually develops a proprietary interest in the work. They know what has to be done, and when it has to be done, without being told. Productivity objectives are established jointly with management, and when necessary, overtime is scheduled by the team (instead of by management) in order to meet deadlines, taking into account individual team members' needs and desires. With the ownership of work also comes the responsibility for getting it done in a productive way; this means timeliness and quality control.

Routine decisions are made by individuals, important decisions are made by consensus, the only exception being membership decisions, when a vote is taken as necessary. Here the majority rules. Membership is a critical decision, the team must be able to purge itself of dysfunctional members--those who cause trouble or refuse to become productive. This is an important rule and it is difficult for a team to survive very long without it. Experience has shown (for those who are concerned that membership control might be used vindictively) that consensus teams are generally quite responsible in using the membership control process.

Since the team is jointly responsible for total output, there is a very strong tendency to provide cross-training so that members can help each other. Whenever someone is absent from work, team members rearrange the work load; unless a critical number are absent, no additional workers have to be brought in. Concomitant with this cross-training and back-up is scheduling. Teams seem to deal with overtime scheduling and vacation scheduling in very productive ways--frequently employing innovations that have been overlooked in the traditional approach to such problems.

In the Data Processing Operations Control Department, the results were phenomenal. Productivity immediately increased. Morale soared. In fact, one manager stated that he had to close his door because the singing was so loud, a remarkable turnabout.

Many of the individuals learned several other jobs shortly after implementing the consensus team approach. As a result of this spread of knowledge, innovations and work-flow improvements were made. The absence of one or two workers at a time no longer required the obtaining of additional outside personnel.

Problems that plagued management before suddenly disappeared. The consensus team met its productivity objectives, and then went on to increase service to data processing users, so that instead of complaints, there were compliments. Other groups requested permission to operate as consensus teams. This obviously reduced the stress of all the managers involved.

Several months after the team went into operation, one member voluntarily left the group. The team decided not to replace the member who was leaving. They were able to continue producing as they had before. This process repeated itself three more times and each time the team elected not to replace, but the the loss of a fourth member started to interfere with team operations and a new member was recruited.

From a productivity point of view, the fact that one supervisor and three team members were not replaced is a significant increase in productivity (approximately 36% improvement). Managers are generally satisfied with four to five percent productivity improvements and delighted with six to seven percent improvements.

The possibilities for reduction of stress in this situation are fairly clear. Two approaches, the personal approach and the organizational approach, were available to management in attacking an organizational problem which was getting increasingly worse. If the managers involved had elected to try to manage their stress by using a personal approach, they may very well have succeeded, but since the problem was already intolerable and growing worse they also might have increased the stress in other organizational members. Instead of the personal approach, they elected to attack an organizational problem with an organizational solution. This approach reduced stress for all involved.

But a warning must be offered concerning the use of consensus teams. Not every organization is in a position to accept such a radical departure from traditional management tenets. One of the accepted management principles outlined in the early 1900s was that every group needs a leader. But as we see from the consensus team approach, the supervisor was unnecessary overhead and may in fact have been a major part of the problem.

CONCLUSION

It would seem then, that at least some of the stressors affecting managers today may have their origins in contradictory or obsolete principles of management. Rarely are these principles questioned. But in a world of accelerating change, even the principles of management that we develop today may be obsolete tomorrow. In a post-industrial society, one might ask whether the principles of management developed by agrarian or industrial societies are still valid.

It is also apparent that the individual manager has two options open to him in solving problems caused by organizational stressors. First, he can try to change the personal context or vulnerability or, second he can try to change the organizational context or vulnerability. In the case cited above, the organizational context was changed. To change organizational context or organizational vulnerability the manager must continually question the assumptions he brings to his job and he must test them against a current reality.

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