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Stress in Romanian Corporations

Ioana Catalina GHITA[1]

[1] University "Valahia" of Târgoviște, România,
ghita.i.catalina@gmail.com

Abstract: At present, large companies from all around the world reduce their costs and become more and more efficient by employing about 60.000 people from our country. Large foreign corporations are opening offices in Romania, managing their various outsourced services here. To avoid redundancy in staff grids, big companies tend to move various services into one place (eg. a call center to serve a large number of countries). This is why the expenses of large companies are reduced because the labor force in the countries where they established their centers is cheap, our country being among the preferred outsourcing services. Although initially reluctant and less interested with the impact that distress has on employees and how it affects their lives, recently companies have begun to pay attention to occupational stress in terms of the considerable financial costs involved. Employees and employers seem to have different views on management's concern to reduce this risk factor in the sense that employees believe that their companies do not take sufficient steps to reduce the negative effects of stress, although some of the effects could be removed with a minimum of resources. A common business model is to force the employee, and when he gives up, to replace it. However, when employees are valuable, management will start to reconsider their comfort. Big companies know that stress is equivalent to inefficiency, and they don't want to be inefficient, so they will try to motivate people.

Keywords: *stress; behaviour; human resources; stress management; big companies.*

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1. Introduction

Community, european and international policy on health and safety at work and also national policies are required to adapt to changes, occupational exigencies and risks in order to promote genuine work comfort, which must be of a physical, mental and social nature, ensuring not only the absence of occupational illnesses and accidents, but also the state of physical, psychological and psychosocial comfort.

A poor policy on health and safety at work can have undesirable effects on man and a major negative impact on the company, but also on the economy as a whole.

In Europe, occupational stress is one of the greatest challenges to health and safety at work, being ranked second in occupational health issues (after dorsal affections) and the number of people suffering from stress has an upward trend. After musculo-skeletal issues, reported as the biggest work-related health problem, with a percentage of 60%, we find stress, anxiety or depression, with a percetange of 14% [1].

Among the factors contributing to stress in work, we mention: reducing the size of companies, increasing workers' demands, outsourcing a large number of services, an increased need for flexibility in terms of both function and skills, greater efforts, job insecurity, imbalance between work and personal life.

2. Theoretical Background

My studies are based on sources of information like: case studies, specialized literature, media articles, organization reports. In my paper, I've tried to follow ideas like: the factors which produce stress, the effect of stress at various levels, the difference of stress in small companies or big ones, how we can prevent stress and which are the benefits of reducing it, the changing attitude toward stress syndrome.

3. Occupational stress

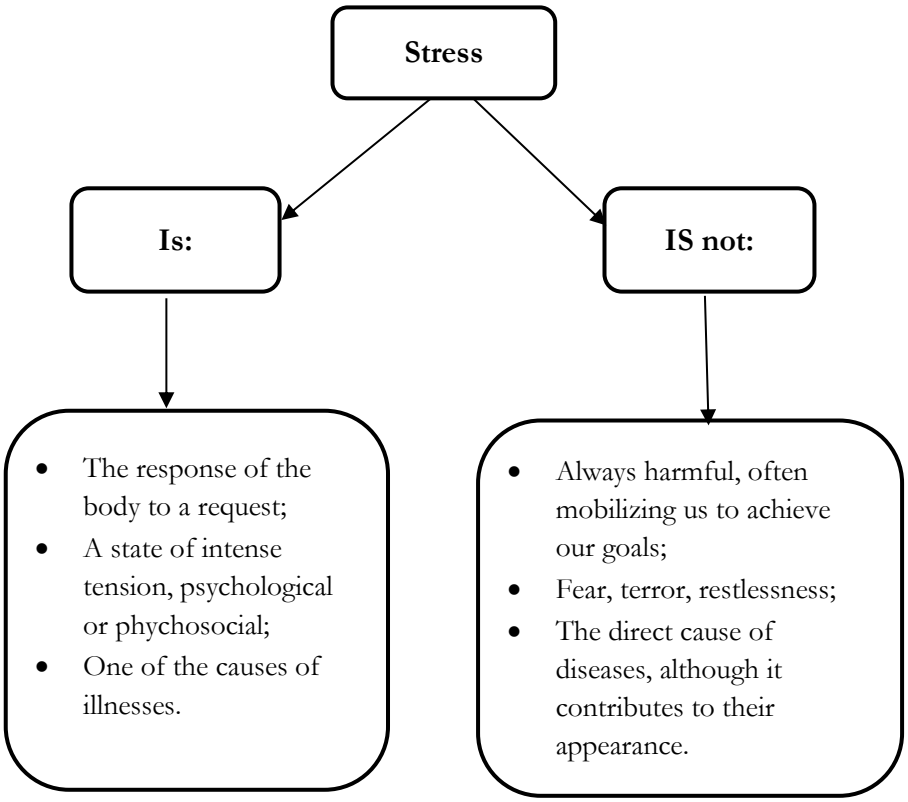
3.1. Notions

The idea of *stress* has emerged since antiquity, as noted by most authors, Hippocrates being the most important precursor of stress theory, but the one who launched the concept of stress in the medical language is

Hans Bruno Selye, a Canadian biochemist of Austro-Hungarian origin, being even considered the "parent of stress" [2].

So, in 1936, Hans Selye formulated the SGA theory of "General Adaptation Syndrome", defining stress as *the nonspecific response that the body gives to any request it is subjected to.*

Figure 1 – What is /is not stress



Source: taken after [3]

3.2. The effect of occupational stress on trade, industry and professions

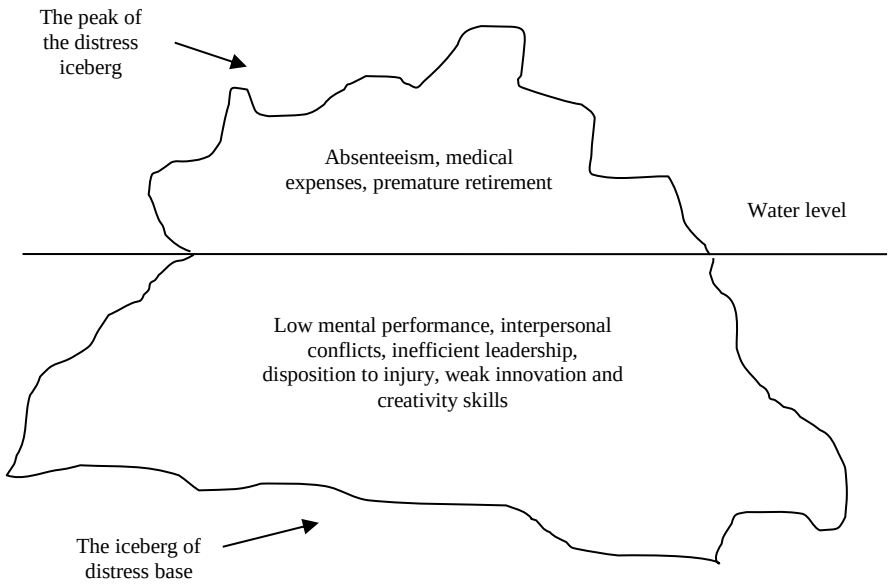
The costs of distress (the name of negative stress) on health, performance and capability are very clear at the individual level, but for businesses, commerce, industry, costs are often neglected. Considerable financial losses are caused by:

- absenteeism caused by stress-related illnesses;

- presenteism [4], a newer concept, this is manifested by attending the workplace in conditions of poor health;
- loss of staff, caused by premature retirement and deaths.

Calculable costs represent only the peak of a financial iceberg (5), making it difficult to estimate the costs that "under water" distress causes.

Figure 2 – The Iceberg of distress



Source: processed after **[5]**

The most important resource of an organization is the human resource. The psychic, physical, morale health and employee productivity are found in balance sheets. It is therefore obvious that companies consider the health of their employees as a profitable business.

Studies that have investigated productivity losses, losses caused by depressed employees, such as „The cost of lost working time among American workers with depression" [6] showed that 81% of LPT costs are explained by low performance during work.

4. Stress in big companies versus stress in small companies

Why are employees in big companies more stressed than those working in small companies?

In the face of the obvious, the evidence is contra intuitive. When we work in a small organization or we are having our own business, the worries about cash flow increases, jobs are not very secure and there is bigger chance of worrying about the future contracts, commissions etc. However, people in small organizations are less stressed than those working in big companies.

Stress can occur and occurs in any working environment. However, a UK Health and Safety Executive report shows the real situation: the bigger the organization, the higher the level of stress. In the study, jobs in small organizations (with less than 50 employees) are less stressfull, with 1,070 cases per 100,000 people [7]. Then, the bigger the company, the higher the stress level. Large organizations (with more than 250 people) recorded an average of 2,040 cases per 100,000 people, with a stress of 90% greater than a smaller company.

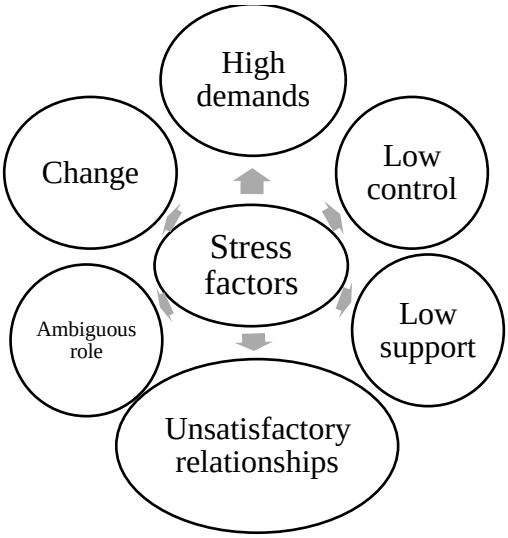
This seems odd. Large organizations tend to provide greater security at work, higher salaries, and a recession / redundancy buffer. When the employer is a big company, employees are usually provided with: private health care, flexible schedule, gym pass, good pension etc.

So why do employees in these organizations experience a high level of stress compared to workers who are obviously in more exposed and less secure positions? The answer lies in the causes that produce stress.

ACAS (8) Agenda on workplace stress identifies six main factors that cause stress at work:

- High demands - many employees are "suffocated" by the tasks they have at work;
- Low control – workers have no control in the activity they carry out;
- Low support - workers feel they cannot approach their superiors to ask for help;
- Unsatisfactory relationships - lack of good relationships with colleagues and superiors can lead to discontent, discipline and even aggression;
- Ambiguous role - staff do not know what it is expected from them;
- Change – people can feel insecure when the change is not well managed.

Figure 3 – The main factors causing stress in the workplace



Source: processed after [8]

From organizational point of view, stress results in poor quality control, apathy and increased incidence of strikes.

When stress level is high, the levels of involvement decreases [9]. And this affect production, innovation levels, customer relationships, fluctuation in staffing [10].

Increased levels of stress can also increase accidents and injuries, with people feeling compelled to work at an alert pace under pressure.

There is also the risk of reputational damage, a risk that affects both the company and its employees. A stressed, disengaged and often humiliated employee will not be able to speak in appreciative terms about his employer. The relationship between the rooting of organizational stress and the image, the company's reputation and the success of recruiting is a direct one.

A good connection between management, customers and workers promotes trust, co-operation and *esprit de corps* [11].

Stallard [12] identifies three key elements for employees to feel connected within a large organization: vision (the mission of the organization motivates workers, values keeps them united, reputation makes them proud); value (workers are appreciated, each being helped to achieve its potential), the voice (the environment is safe, honest, open, employees can share their opinions, and the best ideas are looked fort and put into practice).

Table 1 – Key Elements in Organizations

~~Organization type~~ / Key Element	Large organizations	Small organizations
Vision	Vision is usually articulated (though not always articulated correctly), making it much easier to observe discrepancies between reality and message.	In most cases, the vision cannot be articulated or it isn't even articulated, but is usually obvious to those who are part of the organization.
Value	An employee in a large organization can make a valuable contribution, but the direct impact of his or her actions is harder to see, so it is more difficult to feel valuable.	The contribution of each employee is visible, so the employee feels valuable.
Voice	Employees are less likely to be aware of their voice and greater likelihood that individual contributions go unnoticed.	The voice is most likely to be heard.

Source: processed after (12)

Consequently, stress is clearly more widespread in large organizations because key factor of stress are more likely to exist in this type of organization because it is harder to achieve a feeling of connection. However, it is possible to be established a feeling of cohesion.

5. Stress in Romanian corporations

At present, large companies in the world reduce their operating costs and become more and more efficient employing about 60,000 people in Romania [13]. Large foreign corporations are opening offices in Romania, managing their various outsourced services here. For example, Romanian employees can handle services with clients around the world, with the number of outsiders growing. And this is not necessarily good news because they are usually low wage jobs. And if employees' salaries are rising too high, offices tend to move to other countries where labor will be cheaper.

In order to avoid redundancy in the staff grid, large companies tend to move various services into one place (eg. a call center to serve a large number of countries). Thus, the expenses of large companies are reduced because the labor force in the countries where they establish their centers is cheap, our country being among the preferred outsourcing services.

A study published by Learning Network and Dynamic HR, conducted between January and May 2017, looking at the level of stress of the people employed in Romania, as well as how it manifests, reveals that the level of stress reaches alarming rates [14].

On a sample of 804 individuals, the majority aged between 26 and 35, with an activity in the sales or human resources departments, the following were observed:

- over 80% of the population show symptoms of stress (of a social, physical and emotional nature, with negative effect on life;
- women feel a higher level of stress than men, especially the social one;
- employees aged 18-35 are more stressed than those in other age groups;
- behaviors that generate / sustain a high level of stress are those related to fatigue, unhealthy eating habits, tensions in relation to others and states of irritability;
- proportionality is also preserved when analyzing the position of employees within the organization (54% non-managerial functions, 46% management positions).

A common business model is to force the employee, and when he gives up, replace it. However, when employees are valuable, management will start to put price on their comfort. Big companies know that stress is equivalent to inefficiency, and they don't want to be inefficient, so they will try to motivate people.

Typical corporations have many employees working in an emergency (intense) state. Hence, many cases of burn-out, complete burning syndrome.

At present, even in our country, employees have started to separate into two categories: those who are exhausted, especially because of overtime and those who are sent home by managers or forced to take things easier [13]. These latter managers do not act because they refuse to pay overtime, but because they have found that if things are good at home, the employee will be relaxed and will give a higher return.

6. Conclusions

The big companies have begun to become more and more creative in this process of combating stress through increasingly unconventional approaches (free meals, free days, free shipping, travel subsidies, the opportunity to bring their pet to work, music studio fully equipped etc.)

It seems that many times a very effective and cheap solution is to listen to the staff. Monthly appointments with employees and one-on-one meetings are recommended, so they are given the chance to talk about their career and any concerns they may have at their workplace on a regular basis. It costs only a short time, but the impact on employees morale is really considerable.

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