DIAGNOSING ORGANIZATIONAL STRESS WITHIN A MANUFACTURING COMPANY DURING A PANDEMIC

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ABSTRACT:

This paper is a case study utilizing survey data examining the stress levels of employees at a small business during a stressful period. The purpose of this study is to diagnosis the organizational stress levels that stem from both the internal and external environment. This is a new approach towards diagnosing intergroup stress levels. In conclusion, results should help organizational leaders understand the current climate of their organization and develop strategy for successful operations. The results are placed into grid analysis which diagnoses the intensity of Organizational Stress within this small business but keeps focus on the individual.

Key Words: organizational stress, climate, culture, grid analysis

INTRODUCTION

2020 was a year that elicited many challenges to businesses in the US. Global and local climate changes put strains on resources and impacted the wellbeing of entire communities. Social unrest in the death of George Floyd and other police shootings that triggered the BLM movement which in turn produced racial discussions, protests, and heightened public tension. Immigration turmoil was accelerated by new political directives and the Social Security "No Match" letters. A health pandemic that affected health and wellness unlike anything that we have not seen since the Spanish Influenza. Unemployment and business instability stemming for this pandemic. An election that promised huge change activity but also caused social unrest and incivility towards opposing political parties creating a divided US. Lastly, continuous discussion and elevated public emotions that were evoked from our public leadership and media regarding all the above topics.

Most Organization Development (OD) founders believed that action research was vital for social science development. Barriers build frustration, which inhibits change (Lewin, 1997). As previously stated, 2020 caused many challenges to small business, but their continued survival is critical for future job creation and economic growth. Thus, external and internal factors cause

employees stresses that can in return affect their performance and the bottom line. Organizational Stress is a new topic in the realm of organizational studies. In the early 2000's, Organizational Stress was defined as an emotional, cognitive, behavioral and physiological response to the aggressive and harmful aspects of work, work environment and organizational climate. It is a condition characterized by feelings of helplessness in solving tasks. In other words, work-related stress are people's reactions when they must face some demands or special tasks that are out of their abilities or knowledge (Mirela, Madalina-Adriana, 2011). Yet, individual stress is defined as the physiological and emotional responses to external stimuli that place physical or psychological burdens on the induvial and create uncertainty and a lack of personal control when outcomes are at stake (Daft, 2010). In times of excessive change (like during a pandemic), I believe that Organizational Stress encompasses both the individual stress definition along with external factors that can affect group performance. This dynamic differs from previous definitions regarding Organizational Stress. As a result, diagnosis of Organizational Stress must stem from establishing a reference point of where individuals position themselves resulting from both internal and external factors and how this summary relates to possible job performance.

Literature Review

Work related stress is a growing concern especially for small businesses because of the significant economic consequences that are placed upon the organization. Organizational stress is the compound effect of how individuals handle their stresses into their job performance. Managing individual stresses stemming from family problems, personal problems, or social problems is not easy for organizations. "When people lose confidence, they refuse to take responsibilities, they get quickly irritated, they are unsatisfied of their job, their performance will be very low and the organization will be in danger (Bucurean & Madalina-Adrian, 2011, p. 333).

A great deal of group and intergroup dynamics originate from Bion (1961) with the unconscious acts that characterize the more conscious workings of organizations. The Fight/Flight experiments still have a lasting effect even with certain modifications in today's world. Also, his work / assumption theory groupings are more recognized today as psychological safety. This safety definition stems from the performance roles that are clearly defined into the organizational norms. Norms are the shared expectations about the general behaviors within the organization (Kahn, 1990). Thus, those employees staying within the performance targets and appropriate ways of working felt safer than those who strayed outside these protective boundaries.

Knowledge and understanding of group dynamics pertaining to the psychological factors that relate to whole system change can be the key tools to alleviate future potential stress and/or potential conflict. Yet, there seems to be a fine line when dealing with stress for successful outcomes.

> Anxiety and change are considered to have a "Goldilocks" relationship. If a person or group experiences too little anxiety there is no motivation to change. If they experience too much anxiety they will deny, deflect, distort, defend or be otherwise fearful to change. Only when there is enough anxiety to

> motivate a search for new thoughts and behaviors, but not so much as to lead to fearful debilitation, will change occur. Marshak, 2016, p.11

Organization stress is again defined as an individual and a groups' physiological and emotional response to external stimuli that place physical and psychological demands on the individual which creates uncertainty and performance variation for the group (Daft, 2010). Organizational stress comes in many forms, but some primary examples include role ambiguity, role conflict, role reward systems, and job security. All these examples if not treated properly can cause conflict in the workplace, performance or output to decrease, financial shortcomings, and a culture that is linked towards organizational failure. In conclusion, stress can have a ripple effect within an organization: members influence what happens at the group level, and groups influence individual member behavior (Minahan, 2008).

Organization development has had a lengthy (albeit it short) history regarding models for diagnosis.

> An Organization Development value that came even more directly from sensitivity training is that people's feelings are just as important a source of data for diagnosis and have as much implication for change as do facts or so-called hard data and people's thoughts and opinions, and that these feelings should be considered as legitimate for expression in the organization as any thoughts, fact, or opinion. Burke 1982, p. 89

Examples of diagnosis that directly correlate with this study include Argyris, Likert, and Grid analysis. First, Chris Argyris (1970) defined three fundamental criteria needed to exist for effective interventions. These criteria are valid information, free choice, and internal commitment. Communication and strategic planning are also vital for success when the fundamental criteria have been established. An example of testing that fits these essential criteria was developed by Rensis Likert. His agree-disagree, 5-point scale is the most widely used approach to scaling responses in survey research (Burke, 2014). One last important case for diagnosis for organization development came from Blake and Mouton. Grid diagnosis utilizes the placement of results for organizations/leadership to assess their own strengths and weaknesses; focuses on skills, knowledge, and processes necessary for effectiveness at the individual, group, inter-group and total organizational levels (Blake & Mouton, 1970).

Methodology

In 2019, the Social Security Administration (SSA) sent out approximately 576,000 No-Match letters to employers reflecting instances when there is a mismatch between a Social Security number (SSN) and employee name. As is usually the case, this information is originally gathered by an employer when obtaining the identification forms for the IRS I-9 or W-4 filing. These letters (in prior years) have caused many problems for employers, because while on the one hand there are laws that prohibit an employer from knowingly hiring or (retaining employment) of persons that do not have the legal capacity to work in the US, there are laws that also prevent employers from discriminating against immigrants, including illegal immigrants. These laws include the

Immigration Reform and Control Act of 1986 ("IRCA"). The IRCA is supposed to balance the goal of preventing unauthorized alien employment while avoiding discrimination against citizens and authorized aliens.

Also, in 2019, Immigration and Customs Enforcement (ICE) conducted Form I-9 audits with greater frequency. A routine request in every Form I-9 audit was to produce all no-match letters received by the employer about current employees as well as sometimes previous employees. An employer's failure to show specific action in response to a no-match letter could, therefore, be considered by ICE as a significant negative factor when determining if enforcement actions, including fines and criminal prosecution, could be taken. In short, receiving a no-match letter creates a dilemma. Beyond IRS concerns, employment of persons not having the right to work in the US can lead to raised and prosecution by the Department of Homeland Security. As for the employee, criminal prosecution and deportation are usually the worst things that can occur.

In December of 2019, XYZ company had to terminate nearly half (32) of their employees for Social Security issues. The company gave these undocumented workers nearly nine months to remedy the issue or seek new employment. Post firing, fifteen of the undocumented workers filed lawsuits claiming discrimination which put a burden on the company (both financial and reputation). Furthermore, in March of 2020, Illinois placed a shut-down order for all non-essential companies from the COVID-19 pandemic. XYZ was deemed essential but fear of getting the virus (COVID-19) was at its peak levels everywhere in society. In March, XYZ contracted a cleaning service to do monthly deep cleaning using medical grade disinfectant by flogging. A company-wide meeting (one for day shift and one for night shift) occurred where leadership allowed for a question/answer session from all employees. Two months later, on May 1, Illinois numbers included 68,232 people had contracted the virus and 2974 deaths occurred. At this time, XYZ company had incurred devastating sales for the months of March and April. Leadership at XYZ company decided to conduct a survey to judge the stress levels of the employees and to see how stress and fear were going to affect performance and if emotional distress would inhibit re-establishing a positive culture within XYZ company.

At the end of Quarter 1, XYZ company had 63 employees and 11 temporary or contract employees. The survey was conducted on May 6, 2020 and excluded any temporary or contract employee. Thus, 62 possible candidates (researcher was excluded) were given the opportunity to take a survey. The number was reduced to 61 when an employee became ill. The response for compliance was extremely high: 54 out of 61 took the survey or an 88.5% response rate. Other individual characteristics that were deemed necessary to distinguish included 1) salary or hourly paid, 2) day or evening shift, 3) and did the employee take an English or Spanish written test. The questionnaire allowed for the employee to be anonymous, and anonymity would be important for obtaining truthful and straightforward answers without the fear of retaliation.

Results

To assess whether the observed scores reflect a natural pattern other than being put together by chance, a factor analysis of variance was conducted. This statistical test is significant if the results are unlikely to have occurred by chance (Creswell, 2014). In this study, the individual items were measured

showing something in common, such as a factor or an underlying hypothetical, unobservable construct.

A reverse scale for scoring utilizing closed ended questions that also involved Likert scale scoring systems quantified the data. From here, a t-test was also used as a hypothesis testing tool, which allows testing of an assumption applicable to a population. A t-test looks at the t-statistic, the t-distribution values, and the degrees of freedom to determine the statistical significance. From this testing application, a recorded scale was generated defining ranking of the most highly rated items to the least rated. Results are shown in **Table 1 and Table 2**.

From these scores, a scatter box model was created comparable to the Blake and Mouton managerial grid. I believe that grid analysis is an essential tool for analyzing data revolving an organization's climate (McCusker, 2018). In this model, groupings were generated showcasing an overall picture of the current level of Organizational Stress for XYZ company. The groupings were classified as follows:

QUADS	External	Internal	N	%
High External /High Internal	above 3.1	above 3.72	21	40.4
High External /Low Internal	above 3.1	below 3.72	6	11.5
Low External/High Internal	below 3.1	above 3.72	6	11.5
Low External/Low Internal	below 3.1	below 3.72	19	36.5

External results were based off political questions that generated scoring from questions and answers stemming outside XYZ company. Internal results were based off organizational leadership and organizational climate / culture related questions and answers from inside XYZ company. See scatter box placements in

Table 3.

Discussion

According to the American Bankruptcy Institute, the 2020 total bankruptcy of small businesses could be up **36%** from last year. While the businesses are small individually, the collective impact of their failures could be substantial. Thus, we live in a world that demands immediate action and results for business survival especially during a pandemic. This study brings forth data for a consulting plan that diagnoses issues in real time, allows for executive coaching opportunities, strategic planning sessions, having potential for revising the organizational framework or model, and the knowledge pertaining to bringing about cultural change. These were all important measurements stemming for organization development leader in Warner Burke (2010). Therefore, the ability to create value while delivering successful change activities is even more vital in the present. Utilizing real-world data analytics can only help the field of Organization Development become even more relevant now and into the future.

A consulting evaluation involving results from survey evaluation is one common real-world form of data collection**.** Placement into grid format helps the leadership of XYZ company do a thorough self-evaluation. Grid analysis helps change agents organize content, creates balance or self-identification, speeds up decision making processes, and accelerates teamwork bonding (Buono & Jamieson, 2010). Here are some of the highlights from this consulting evaluation and discussion pertaining to the details:

Positive highlights from tables 1 and 2
- Making a difference with the type of work being performed was the highest rated item in the survey.
- Workplace safety rated very high (73%) amongst the employees.
- Respect for cultural identity (69%) was prevalent amongst those working at XYZ company.
- There seems to be a great deal of trust in the leadership (61%) for a long-term success.

Positive highlights from table 3
- 40.4% of the entire company was deemed Low stress.
- Almost all the management team is in the Low stress quadrant.

Negative highlights from tables 1 and 2
- The external portion has a high effect on employee welfare (39%, 33%, 29%, and 27%) which is very discerning.
- Employees only somewhat (47%) feel that they have an influence to make changes within their department

Negative highlights from table 3
- 36.5% of the entire company was deemed High stress.
- Within the High stress quadrant, the employees (hourly) were from the first shift.

A key organizational development standard is that changing the system will also sanction change to occur within the individual which also culminates into group behavior. Successful organizations that utilize organization development also endorse the advancement of assertiveness and collaboration to alleviate conflict but also endorse understanding pertaining to a concern for people and concern for production into their organizations (Blake, Shepard, & Mouton, 1964 and 1970). This approval allows an organization to establish or maintain partnerships dealing with performance accountability and financial management protocols that stem from stress created by the current political and social environment. These processes should help alleviate organizational stress which can have ripple effect within an organization: members influence what happens at the group level, and groups influence individual member behavior (Minahan, 2008). In short, the acronym for TEAM means Together Everyone Achieves More!

CONCLUSION

The principle focus of this study was to diagnose the current state of emotional stress within XYZ company. The results section paints a picture for XYZ leadership that the overall evaluation is that the company is in decent shape for future success despite everything that has developed in 2020. It seems that the employees still have faith in their leadership despite losing many of their colleagues to immigration purposes. As for the pandemic impact, it also seems that the management staff is very united in their overall mission. Yet, communication from top down could be more effective if presented to employees in different ways. Building upon the trust element established helps all employees understand and feel important during decision making procedures.

Also, in a day of social media newscasting, being committed in developing more effective communication can only reassure employees of the morals and values that the management staff try to implement with the best interest of XYZ company into their decision making.

Furthermore, the leadership should know that work is needed to establish a stronger bond of trust between the employees and management sectors**.** The company has a long history of success, but future financial success and cultural bonding depends on utilizing Organization Development into its day-to-day operations. "Teams are collections of people who must rely on group collaboration if each member is to experience the optimum of success and goal achievement," says Dyer (1987, p.4). Organization Development takes great pride with furthering lines of internal communication so that ALL employees feel respected and valuable regardless of the decisions being made or implemented within the company.

Future Research

A follow-up study is set to be concluded 1 year post 2020 study, that is May of 2021. This study should give a good determination regarding job retention, organizational stress involving job security stemming from improved sales, a greater understanding of what COVID-19 entails via safety protocols established internal XYZ, and if management has re-established a climate entailing internal confidence and job satisfaction.

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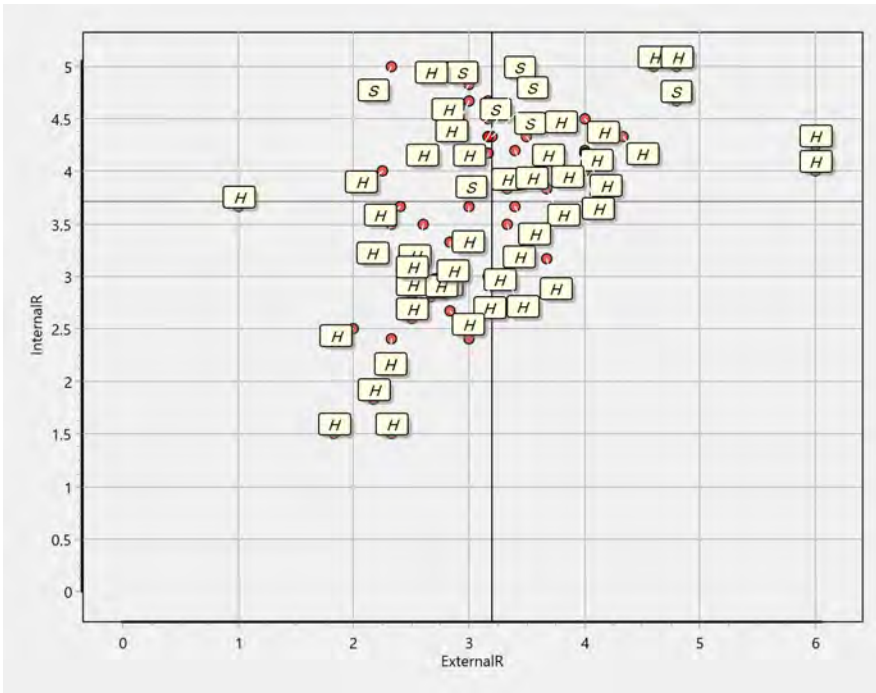Minahan, M. (2008). Working with groups in organizations. In

Table 1:

Recoded Scale	Total	
Q14 Do you feel that you are making a difference at HFI (making medical and food equipment products) during this	4.0	
Q3 Do you feel that your cultural identity is respected by the laws in Illinois or the USA	3.9	
Q10 Do you feel safe upon entering the HFI plant	3.9	
Q9 Do you feel that your own cultural identity is respected at HFI	3.9	Most highly rated items overall
Q12 Do you feel that the leadership has made HFI a top place to work in the manufacturing industry with the recen	3.7	
Q11 Do you feel that the leadership of HFI is moving the company forward so that employees have long-term posti	3.6	
Q8 Do you feel that being an "essential" worker has put you in harm's way	3.2	
Q13 Do you feel that you have an influence when it comes to decision making within your department	3.1	
Q6 Do you feel the leadership in Illinois, or the USA has spend enough money for your safety during this pandemic	3.0	
Q4 Do you feel safe going out in public during the COVID-19 pandemic	2.9	Lowest rated items overall
Q5 Do you feel the leadership in Illinois, or the USA is moving society in the right direction for long-term health care	2.8	
Q7 Do you feel that you have an influence when it comes to decisions at the local / state / federal level	2.7	

Table 2:

Q14top2 Do you feel that you are making a difference at HFI (making medical and food equipment products) durin	74%
Q10top2 Do you feel safe upon entering the HFI plant	73%
Q3top2 Do you feel that your cultural identity is respected by the laws in Illinois or the USA	72%
Q9top2 Do you feel that your own cultural identity is respected at HFI	69%
Q11top2 Do you feel that the leadership of HFI is moving the company forward so that employees have long-term	64%
Q12top2 Do you feel that the leadership has made HFI a top place to work in the manufacturing industry with the re	61%
Q13top2 Do you feel that you have an influence when it comes to decision making within your department	47%
Q8top2 Do you feel that being an "essential" worker has put you in harm's way	44%
Q4top2 Do you feel safe going out in public during the COVID-19 pandemic	35%
Q6top2 Do you feel the leadership in Illinois, or the USA has spend enough money for your safety during this pand	33%
Q7top2 Do you feel that you have an influence when it comes to decisions at the local / state / federal level	29%
Q5top2 Do you feel the leadership in Illinois, or the USA is moving society in the right direction for long-term health	27%

Table 3:

Organizational stress can be defined as an emotional, cognitive, behavioral and physiological response to the aggressive and harmful aspects of work, work environment and organizational climate. It is a condition characterized by feelings of helplessness in solving tasks. In other words, work-related stress is people's reaction when they have to face some demands or special tasks that are out of their abilities or knowledge.