GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

BUSINESS STUDIES

GRADE 11

TERM TWO

CHAPTER EIGHT

STRESS, CRISIS AND CHANGE MANAGEMENT

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This chapter consists of 8 pages

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CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

STRESS AND CRISIS MANAGEMENT

Learners must be able to:

- Explain the meaning of stress.
- Outline/Mention/Explain the causes of stress in the business environment e.g. work overload/long working hours/time pressures and deadlines/incompetent managers etc.
- Discuss/Explain the importance of stress management in the workplace.
- Suggest/Recommend ways employees can manage stress in the workplace.
- Define the term crisis and give typical examples of crisis in the workplace.
- Recommend/Suggest ways businesses can deal with crisis in the workplace.
- Outline/Mention internal/external causes of change.
- Identify the causes of change from given scenarios/case studies etc.
- Outline/Mention/Discuss/Explain John P Kotter's 8 steps of leading change e.g.
    - Establish a sense of agency
    - Create a guiding coalition
    - Develop a vision and a strategy
    - Communicate the vision
    - Empower broad-based action
    - Generate short-term wins
    - Consolidate gains
    - Anchor in the culture
- Apply John P Kotter's theory of change using given scenarios/case studies.
- Discuss/Explain/Describe major changes that people and businesses deal with e.g. unemployment, retrenchment, globalisation and affirmative action.
- Suggest strategies business can use to deal with globalisation and affirmative action.
- Recommend ways businesses can deal with/manage change in the workplace.

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Terms and Definitions

TERM	DEFINITION
Deadlines	Date by which something should be completed.
Pressures	The use of persuasion to make someone do something.
Incompetence	Inability to do something successful.
Overload	To put many things in or on something or someone.
Vision	The ability to think or plan the future with imagination.
Communication	The imparting or exchanging of information by speaking, writing or using some other medium.
Consolidated gains	To bring together separate parts into a single or unified whole.
Proactive	Controlling a situation rather than just responding to it after it has happened.
Disaster	A sudden accident or a natural catastrophe that causes great damage or loss of life.
Solutions	Solving a problem or dealing with a difficult situation.
Morale	Confidence, enthusiasm and discipline
Turnover	Rate at which something changes

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1 Meaning of stress

- Stress is defined as a state of emotional or mental strain.
- The strain can affect memory/concentration and lowers the morale of employees.
- Stress refers to the harmful physical/emotional responses that can happen when there is conflict between job demands on the employee and the amount of control an employee has over meeting these demands.
- It is the wear and tear our bodies experience as we adjust to our changing environments

1.1 Causes of stress in the business environment

- Heavy workload/Unrealistic targets
- Long working hours
- Time pressures and deadlines
- Inadequately trained subordinates
- The necessity of attending meetings
- Work demands intruding on family and personal life
- Keeping up to date with new technology
- Conflict with those in the business with different beliefs and values
- Taking work home
- Interpersonal relationships with colleagues
- The amount of travel required by work
- Incompetent bosses
- Bullying or harassment
- Job insecurity
- Lack of accountability
- Lack of participation in decision-making
- Lack of finances, human resources or physical resources
- Poor working conditions
- A lack of power and influence
- Badly designed shift systems
- Changes in job description, management, in technology or in the economy√
- Confrontations and conflicts
- Inadequate training

1.2 Importance of stress management in the workplace

- If stress is not managed effectively, it can get out of control and cause staff health issues.
- Stressed employees are more likely to miss work, both as a way to cope and due to health-related problems.
- Managing stress will curb absenteeism in order to maintain productivity at workplace
- Workers who suffer from stress often display poor judgement in crisis or emergency situations and this can be avoided through managing stress
- Grievances or complaints that lead to staff turnover can be addressed if stress is well-managed.
- Conflict and interpersonal problems can be avoided if stress is managed at the workplace.

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- Having stressed and tired employees serving the public may lead to poor service and unhappy customers and this can be corrected through management of stress
- Stressed employees are more likely to cling to the old ways of doing things by resisting change and this can be controlled through proper management of stress.
- Constant stress can cause many problems for a business since it can become an unhealthy environment.
- Too much stress can become a barrier to success and lowers the performance of workers.

1.3 Ways employees can manage stress in the workplace

- Develop self-awareness to recognise the signs of stress and its causes.
- Create a balanced lifestyle and minimise extreme emotions.
- Exercise regularly and keep fit.
- Follow a balanced diet
- Get enough sleep and relaxation
- Replace negative self-talk with positive thoughts
- Apply good time-management skills
- Set personal realistic goals and targets
- Accept things one cannot change and focus on things one can control
- Practise time management

2 Definition of crisis

- Crises is an unforeseen event that can cause major changes in an organisation.
- It refers to the sudden and potentially disastrous events.
- It is time of intense difficulty/ trouble/ danger.
- An event that can harm the business's stakeholders/ its property, finances / its reputation.
- Any situation that threatens people at home or work.
- Unforeseen event that can cause major changes in the organisation.

2.1 Examples of crisis in the workplace

- Loss of property due to fire
- Theft of assets and equipment.
- Breakdown in machinery
- Power outages
- An accident
- Serious illnesses without replacements
- Conflict
- Supply shortage
- A sudden increase in production costs
- Unforeseen drop in revenue
- Lawsuit
- Tight deadline
- Natural disasters, e.g. earthquakes, floods, etc.

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2.2 Ways businesses can deal with crisis in the workplace

- Businesses should respond appropriately and quickly to lessen the effects of the crisis situation.
- Intervene swiftly and with urgency, but without panicking or overreacting.
- Identify the real nature of the crisis by making a thorough assessment of the situation and seeking expert opinions
- Assess/If the crisis happens, face up to it and quickly find out what has happened without over-reacting.
- Deal with crisis directly and timeously without trying to avoid/minimise the seriousness of the situation
- Plan/Identify and prioritise the actions required
- Inform/Provide accurate and correct information
- Support/Guide others through the situation by providing training and support.
- Attempt to contain the situation to minimise further damage
- Communicate with all stakeholders so that they are properly informed about what has happened, what the impact is and how it is being dealt with.
- Appoint a spokesperson from the management team who will deal with all questions and provide information
- Regain control/Manage the situation in a calm manner until the crisis is over.
- Obtain expert advice if the crisis falls outside the business' scope of expertise.
- Call for help and seek assistance/advice and support from the appropriate agencies and professional
- Arrange debriefing sessions for all those directly involved in the crisis or who have been traumatised by the event.
- Evaluate how effective the emergency plan was throughout the crisis.
- Amend the emergency plan after evaluating what worked and what did not work.

3 Definition of change

- Change is a process that takes people, employees and organisation from the present to a future desired change.
- New ways to get things done.
- A business needs to change in order to meet changing needs of customers, improved technology and international competition.

3.1 Internal and external causes of change

3.1.1 Internal causes of change

- New business objectives or goals
- High employee turnover where many employees have to join the business
- New policies and procedures implemented in the business
- New management
- Restructuring
- Retrenchment
- New equipment

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3.1.2 External causes of change

- Political factors e.g. change in government policy and international relations
- Social factors e.g. poverty/unemployment/HIV & Aids/etc.
- Legal factors e.g. the passing of new laws
- Economic factors e.g. increase in the interest rate
- Technological factors e.g. advances in production techniques and the information and communication technology (ICT) revolution.
- Market factors e.g. new firms entering the market and introducing new products.

3.2 John P Kotter's 8 steps of leading change

- Establish a sense of urgency by motivating their employees
- Form a powerful coalition/Build the guiding team by bringing together a team of influential people who will convince everyone else that change is needed
- Develop a vision and a strategy, decide what values are central to the change
- Communicate the vision frequently and demonstrate the kind of behaviour that they want from their employees
- Empower broad based action by identifying employees who are resisting change and help them see the need for change.
- Generate/ Create short term wins and make sure their businesses taste success early in the change process
- Consolidate gains/Build on change by analysing what went right and what needs to be improved after each win
- Anchor the changes in corporate culture and this must become part of the core of their business.

3.3 Major changes that people and businesses deal with

3.3.1 Unemployment

- It is when employees lose their jobs because they are fired, or they quit their jobs
- Change can lead to unemployment due to retrenchment.
- A business may close down/sold/merge resulting to unemployment.
- Copying with unemployment is traumatic and can lead to depression.

3.3.2 Retrenchment

- Retrenchment is when a business cuts the number of workers to reduce their wages and salary bill.
- A process whereby the employer reviews its business needs to increase profits or limit losses, which leads to reducing its employees.
- Economic changes may result in many people being retrenched from their jobs.

3.3.3 Globalisation

- It is a trend where businesses are able to trade in different countries.
- Businesses must deal with and adapt to changes that globalisation brings.
- Globalisation means that many local businesses struggle to compete with bigger/stronger/experienced markets abroad.

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Strategies business can use to deal with globalisation

- Adapt your approach to new operational complexities.
- Businesses should be aware of changes in the related industry
- Keep abreast of new technology/processes and developments that could give your business a competitive edge.
- Investigate overseas markets for their products
- Source overseas manufactures/materials/suppliers etc.
- Build a strategy for connecting with governments.
- Comply with international standards of quality.
- Comply with international trade laws.
- Upgrade the enterprise's information technology (IT) network to enable online purchasing.
- Be creative in making products desirable and unique.

3.3.4 Affirmative action

- Affirmative action is a policy that ensures that qualified people from designated groups have equal opportunities in the workplace.
- The policy aims to ensure that Black South Africans, women and people with disabilities are well represented in businesses.
- Workers can resent affirmative action appointments and people who have been appointed in affirmative action positions.

Strategies business can use to deal with affirmative action

- Inform employees on how affirmative action will be implemented in the business.
- Businesses must have acceptable affirmative action programmes.
- Businesses must indicate in all their job adverts that they are affirmative action employers.
- They should open themselves to new ideas and opportunities instead of sticking to the past.
- Employees need to focus on the job rather than the differences of the people in the team and how they were appointed.

3.5 Ways businesses can deal with/manage change in the workplace

- Acknowledging that change is stressful and empowering employees to cope with stress.
- Transparency in the process of change is important in building trust with employees.
- Management need to ensure that it communicates with employees and keeps all informed of decisions and anticipated changes.
- Do not deviate from the original plan.
- Involve employees in the transformation process.
- The business can manage change easily if employees have interpersonal relationships that are characterised by trust, respect and support.
- Employees should increase their skills levels in order to be more competitive for positions and promotion.
- Acknowledge/Respect differences and focus on achieving the goals/objectives.

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