THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Corporate Governance and Managing Stress in the Workplace

Rita N. Leleh
Senior Lecturer, Department of Management, LIGS University Hawaii, USA
Dr. Amr Essam Sukkar
Senior Lecturer, Department of Management, LIGS University Hawaii, USA

Abstract:
Stress has become a killer condition given the pressures and demands of our present times. More people are either laid low or dying from stress. Unfortunately, stress is a silent killer that strikes before its victim can realize what his problem is. Stress in the workplace adds additional load to an average worker who must grapple with the daily demands and pressure from the workplace. This paper explored the relationship between corporate governance and stress management in the workplace. An examination of available literature shows that factors in the work place that cause stress include work overload, time pressure, long hours of work, lack of breaks, difficult or complex tasks, lack of variety, poor physical work conditions (congested office space, high temperature, poor lighting, etc.), role ambiguity, role conflict, over promotion, under promotion, thwarted ambition, absence of job security, problem of relationship with superiors and colleagues, inability to delegate responsibilities, absence or insufficient participation in decision making, office politics, behavioural restrictions, absence of effective consultation and financial difficulties, generating of loud noise by machines. Signs of stress can exhibit in several forms such as changes in behaviour, which in acute cases displays in the areas of feelings, behaviour or physical symptoms. Acute stress can exhibit in the forms of irritability, anxiety, fatigue, depression, withdrawal, aggressive behaviour, tearfulness, dullness, loss of motivation, loss of concentration, loss of ability to solve problems, sexual dysfunction, gastrointestinal disorders, recurrent headache, etc. Prolonged cases of stress in an individual can alter the "neuroendocrine, cardiovascular, autonomic and immunological functions" of the body leading to physical and mental illness. It was established that management by way of corporate governance can formulate policies that are geared towards managing the level of stress in the workplace. The recommendations made included that management should do the following; make the work place employee-friendly by providing conducive work environment and office spaces; establish a culture of filial relationships in the organization whereby employees see one another as friends and team-mates and relate to one another in cordial and courteous manner; popularize the organizational work ethics and enforce strict disciplinary measures on defaulters especially on harassment of every kind; establish clear job responsibilities and roles to prevent role ambiguity and job conflict; establish recreational centres for workers to ease off during breaks or at free time; functional health facilities should be provided and workers should have ready access to them; encourage open communication between employees and superiors and among all workers.

Keywords: *Corporate, economic, employee, governance, management, organization, stress, workplace*

1. Introduction

Corporate organizations are entities that must succeed in order to yield the dividends of investment or produce the expected returns on investment. To realize this expectation, much effort must be put into it. As much as the three extremely important factors needed for organizational success are men, machines and materials, it stands out that some form of co-ordination of these three factors are necessary to meet some predetermined goals. Thus, a control framework must be put into place for the engine to roll.

The concept of corporate governance, though a relatively new discipline is not an organizational fad that will fade away with time but a significant aspect that will gain more relevance with time (Solomon & Solomon, 2004). The interest in corporate governance was aroused in the early 21st century following the collapse of the Enron, a US based company, in fact one of its largest. The notable failure of the company caused a ripple that attracted the international community and directed attention of economies to the role of strong corporate governance in fostering strong and viable corporations. Thus, nations came up with several reforms to strengthen the mechanism of corporate governance in their countries. The US enacted the Sarbanes-Oxley Act (2002). The UK responded with the Higgs Report (2003) (Solomon & Solomon, 2004). Nations around the world have come up with corporate governance codes and policy documents to lend weight to corporate governance and ensure its viability and stability (Solomon & Solomon, 2004).

Corporate governance has received such attention because it is the engine that sets corporations rolling. It is the framework that co-ordinates and directs organizations towards their goals. It is the key that marks one corporation and

sets it apart from others. To a great extent, it is the determining factor of the success or failure of an organization. It therefore requires that this very important aspect of an organization's life be adequately and responsibly overseen.

Corporate governance draws attention to individuals, systems or institutions reposed with the responsibility of assuring effective accountability of a corporation be it a governmental or publicly owned enterprise. Key players in corporate governance include the government, board of directors and company secretaries (Okike & Okougbo, 2019). Other entities that play a role in corporate governance are the Corporate Affairs Commission (CAC), which must undertake the "regulation and supervision of the formation, incorporation, registration, management and winding up of companies"; the Securities and Exchange Commission (SEC), whose responsibility bears upon the capital market in relation to companies listed on it; the Nigerian Stock Exchange that sees to the mobilization of capital and other key roles that assist companies listed on its floor to establish best practices as regards corporate governance; and other agencies that ensure organizations conform to given standards (Okike & Okougbo, 2019).

Stress in the work place is a global phenomenon. It has become an increasing concern because of its impacts on the economy, health and social welfare of employees/people in a particular setting. Its importance and call for investigation lie in the fact that it affects the "men" (worker) that tend to work to bring about the success of organizational goals. Stressed workers can hardly cope with themselves adequately, talk less of coping with the demands of their jobs. It is therefore imperative to look at excessive stress as a detrimental factor in the health and work life of employees in connection with management role in alleviating or providing a workable environment that eliminates stress.

Whereas, the net is awash with articles that link corporate governance with so many areas of the firm's life, its link with an important aspect that can cripple the organization's life; "stress", has been denied equal publicity. For instance, corporate governance has been related with the organization's performance and economic growth (Maher & Andersson, 1999). Equally, Hermassi, Adjaoud and Aloui (2015), Boroujeni, Noroozi, Nadem and Chadegani (2013), established an association between corporate governance and ownership and capital structure of an organization. In the same vein, corporate governance has been related with capital structure and profitability (Ajanthan, 2013); accountability (Solomon & Solomon (2004); stake holding and the nature of employment relations within the firm (Konzelmann, Wilkinson & Conway, 2007); employee satisfaction (Nmai & Dele, 2014).

Stress management has also received much attention in extant literature given its impact on the productivity of people generally and employees in particular (www.uakron.edu, Broman-Fulks & Kelso, 2012; Michie, 2002). Yet, little work has been done in the area of corporate governance and stress management in the work place. The study of Patrol and Kumar (2019) on economic strategies and employees' efficiency. This study becomes particularly necessary considering so many pressures exerted on the life of the average worker in recent times. The COVID-19 pandemic has impacted lives negatively globally mounting increasing psychological and economic stress on workers who hitherto were grappling under the weight of economic downturn in Nigeria. In the face of this gap in literature, it is the intent of this paper to examine corporate governance in relation to stress management.

In view of the above broad objective, the specific objectives of this paper will include to;

- Examine the concept of corporate governance.
- Examine the concept of stress management
- Review the strategies adopted for the management of stress in the workplace
- Relate corporate governance and stress management in the work place
- Make recommendations to corporate managers on effective mechanisms of stress management in the work place

2. The Concept of Corporate Governance

Corporate governance is the leadership engine that sets the organization rolling. The absence of governance is the presence of chaos be it in a corporation or governmental framework. In simple terms, corporate governance is the function of governing a corporation. Governance originated from the Latin word "gubernare" which means to steer (Mohamad & Sori, 2011). In this sense, corporate governance is more of giving direction than controlling. According to Solomon and Solomon (2004), corporate governance can be defined from a narrow to a broader perspective. In its very narrow definition, corporate governance is the way in which companies are directed and controlled (Cadbury, 1992; Konzelmann, Wilkinson & Conway, 2007)

Solomon & Solomon (2004) add that existing definitions of corporate governance are streamed on a continuum with the narrow ones at one end and the broader definitions at the opposite end. The narrow definitions adopt an approach that restricts corporate governance to a company's relationship with shareholders while the broader view considers it more as a web of relationship between/among an organization and its employees, customers, suppliers, bondholders. The former approach is expressed as the 'agency theory' while the latter is expressed as the 'stakeholder theory'.

More specific definitions of corporate governance include those of Parkinson (1994), who defined corporate governance as "the process of supervision and control intended to ensure that the company's management acts in accordance with the interests of shareholders". Tricker (1984), by way of definition stated that "the governance role is not concerned with the running of the business of the company per se, but with giving overall direction to the enterprise, with overseeing and controlling the executive actions of management and with satisfying legitimate expectations of accountability and regulation by interests beyond the corporate boundaries.

Canon's (1994) definition is that corporate governance is "the governance of an enterprise is the sum of those activities that make up the internal regulation of the business in compliance with the obligations placed on the firm by legislation, ownership and control. It incorporates the trusteeship of assets, their management and their deployment.

Solomon and Solomon (2004) after reviewing several definitions of corporate governance in their book, came up with their own definition which sees corporate governance as "a system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all theirs take holders and act in a socially responsible way in all areas of their business activity".

According to O'Donovan (2003), corporate governance is "an internal system encompassing policies, processes and people, which serves the needs of shareholders and other stakeholders, by directing and controlling management activities, with good business savvy, objectivity, accountability and integrity. Sound corporate governance is reliant on external market place commitment and legislation, plus a healthy board culture which safeguards policies and processes". Hopt, Mellert and Hering (1998) opine that corporate governance "describes internal organizing and structure of corporate power, board of director's responsibilities, corporate ownership structure and interaction between shareholder and other stakeholders, particularly firm labours and creditors".

Corporate governance is "the set of processes, customs, policies, laws, and institutions affecting the way a corporation (or company) is directed, administered or controlled. Corporate governance comprises the long-term management and oversight of the company in accordance with the principles of responsibility and transparency" (OECD, 2010).It is concerned with the "duties and responsibilities of a company's board of directors to successfully lead the company, and their relationship with its shareholders and other stakeholder groups" (Ajanthan, 2013). It is also defined as a "process through which shareholders induce management to act in their interests, providing a degree of investor confidence that is necessary for the capital markets to function effectively" (Rezaee, 2009).

3. Approaches and Core Concepts of Corporate Governance

Chibarinya (2014) has identified the approaches to or theories of corporate governance as shareholder value approach; stakeholder valueapproach; enlightened shareholder value approach; and integrated approach. Solomon & Solomon (2004) add the agency theory and transaction cost theory. These theories or approaches are frameworks that have helped in the analysis and explanation of corporate governance. They provide different perspectives of corporate governance that give more understanding to the concept. They also spell out who should control the corporation and what their responsibilities are among other things.

Velnampy & Pratheepkanth (2012), emphasized that risk reduction for investors, investment capital attraction and improvement of organizational performance are among the important aspects of good corporate governance practices. The key to improving the performance of the organization is a well-motivated staff. An important aspect of motivating staff is a loaded welfare package that enforces a stress-free work environment for the workers.

Chibarinya (2014) enumerates the concepts of corporate governance to include openness, honesty, transparency, independence, accountability, responsibility, fairness, reputation, sustainability, ethics, stakeholder interfacing, good board practices, control environment and board commitment.

4. The Concept of Stress and Stress Management

Stress is a fact of life that cannot be avoided but can be managed (Michie, 2002; Broman-Fulks & Kelso, 2012; www.uakron.edu). Just like corporate governance, stress has been variously defined, from the simplest definition of being seen as pressure from the environment, then as strain within a person, to more concise definitions that portray an interaction between the situation and the individual (Michie, 2002; www.uakron.edu). According to Michie (2002), stress is "the psychological and physical state that results when the resources of the individual are not sufficient to cope with the demands and pressures of the situation". In this sense, individuals experience stress differently because it is more likely in some situations than others and in some individuals than others (Michie, 2002; Broman-Fulks & Kelso, 2012; www.uakron.edu).

Broman-Fulks and Kelso (2012), see stress as the "emotional, cognitive, behavioural and psychological reactions a person experiences in response to environmental threats or demands". It is "the way human beings react both physically and mentally to changes, events, and situations in their lives" (www.uakron.edu)

The workplace exerts some form of demands and pressure on the employee which can cause stress. Factors in the work place that cause stress are connected with the content of the work and the social and organizational context of the work. These factors are; work overload, time pressure, long hours of work, lack of breaks, difficult or complex tasks, lack of variety, poor physical work conditions (congested office space, high temperature, poor lighting, etc), role ambiguity, role conflict, over promotion, under promotion, thwarted ambition, absence of job security, problem of relationship with superiors and colleagues, inability to delegate responsibilities, absence or insufficient participation in decision making, office politics, behavioural restrictions, absence of effective consultation and financial difficulties, generating of loud noise by machines, etc. (Nekzada, & Tekeste, 2013; Michie, 2002; Broman-Fulks & Kelso, 2012; www.uakron.edu).

Employees' personal issues could also affect their stress levels which in turn affect their work output (Nekzada, & Tekeste, 2013). Domestic problems experienced by employees such as loss of health, loss of loved ones, financial issues, marital issues, parental issues and children delinquency, can distract and reduce their productivity (Nekzada, & Tekeste, 2013).The disadvantage of stress is that it negatively impacts on people, undermining individual and organizational goals achievement.

Apparently, the individual exhibits signs of stress in certain changes in his behaviour, which in acute cases display in the areas of feelings, behaviour or physical symptoms. Acute stress can exhibit in the forms of irritability, anxiety, fatigue, depression, withdrawal, aggressive behaviour, tearfulness, dullness, loss of motivation, loss of concentration, loss of ability to solve problems, sexual dysfunction, gastrointestinal disorders, recurrent headache, etc. (Michie, 2002;Broman-Fulks& Kelso, 2012; www.uakron.edu). According to Broman-Fulks & Kelso, 2012 and Cooper (1977), prolonged stress in

an individual can alter the "neuroendocrine, cardiovascular, autonomic and immunological functions" of the body leading to physical and mental illness.

The problem of stress especially in the workplace manifests in increased absenteeism and turnover, reduction in both the quality and quantity of work, decrease in job satisfaction, reduced morale, recruitment problems, poor communication and unnecessary and incessant conflicts (Michie, 2002). These problems in the short-run affect work output and in the long-run, hamper the performance of the organization in its goals attainment efforts with tremendous effects on the bottom line and stakeholders' interest (Nekzada, &Tekeste (2013)

5. Strategies for Management of Stress in the Workplace

Stress can be managed. Stress management refers to techniques for keeping stress at advantageous levels. S3 opine that mild levels of stress have benefits for individuals. As such the goal of stress management should be an effort geared towards maintaining an optimal level of stress rather than complete elimination of stress. Efforts towards managing stress begins with the identification of the sources of stress in one's life as experts agree that a person's perception of situations as stressful causes stress more than the situation itself (Nekzada, & Tekeste, 2013;Broman-Fulks& Kelso, 2012; www.uakron.edu). Other basic techniques include; avoiding unnecessary stress by saying no sometimes; altering the situation; accepting things one cannot change; and expecting ongoing changes.

Maintaining healthy lifestyle is key to minimizing stress. Other specific techniques such as healthy eating; physical activity and exercise; adequate sleep; relaxation, laughter; mindfulness and meditation; cognitive restructuring; self-expression and social support have been empirically proven as effective techniques in managing stress (Michie, 2002; Broman-Fulks & Kelso, 2012; www.uakron.edu.

6. Corporate Governance and Stress Management in the Work Place

Stress management in the place of work goes beyond individual employee making concerted efforts to control their responses and mental/psychological reactions to pressures/demands of the workplace. It involves management setting up concrete mechanisms that embrace the entire organizational set-up. Governance should not only be concerned with controlling and directing the organizational structure for risk management and best profitable financial yields, ensuring that stress is kept at its minimum for employees should be part of corporate programme. One of the important aspects of cg is its impact on employee welfare.

Since high levels of stress in employees have effects both on them and on the organization, management must be involved. The major role that management has in managing stress in the work place is to formulate policies and work ethics that check stress levels of employees. Some resources can be utilized to reduce stress levels such as provision of health facilities within the organization, ready access to health therapists, recreational activities, etc. Others include on the job training which equips employees with basic skills to handle their jobs to reduce stress on the job (Nekzada, & Tekeste (2013). Nekzada, & Tekeste (2013), stress that the most successful techniques for managing stress levels are time management, sharing of feelings and leisure activities.

7. Summary/Conclusion

Corporate governance has over the years paid more attention to ensuring corporate accountability, enhancement of reliable and qualitative financial information, and therefore enhancement of the integrity and efficiency of capital markets in order to improve investor confidence (Rezaee, 2009). But there is need for corporate governance practices to include the formulation and enactment of strong workers' welfare scheme that look into the aspect of stress management.
Corporate governance in the context of this write-up relates to policies that control and direct the welfare of workers in the work place. Everyone, from top management to the lowest staff in the work place experiences stress at one time of the other. The task of seeing to the welfare of employees should be a strategic issue that incorporates the efforts of management and other stakeholders in the organization since the performance of workers affect the performance of the organization.

The work place exerts pressure on the employees which can cause physical, emotional and psychological strain on the worker. Management has the important responsibility of adopting strategies that help manage stress in the work place. Stress cannot be avoided but it can be managed. Individual employee and management through corporate governance have the responsibility of instituting strategies to manage stress in the work place

8. Recommendations for Effective Mechanisms of Stress Management in the Work Place

An examination of several strategies/techniques for stress management in the work place shows that management through its corporate policies can effectively manage the work environment in order to manage the levels of stress in employees. By way of recommendation, it is important that management does the following;

- Make the work place employee-friendly by providing conducive work environment and office spaces.
- Establish a culture of filial relationships in the organization whereby employees see one another as friends and team-mates and relate to one another in cordial and courteous manner.
- Popularize the organizational work ethics and enforce strict disciplinary measures on defaulters especially on harassment of every kind.
- Establish clear job responsibilities and roles to prevent role ambiguity and job conflict.
- Establish recreational centres for workers to ease off during breaks or at free time.
- Functional health facilities should be provided and workers should have ready access to them.

- Encourage open communication between employees and superiors and among all workers.

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