

Stress and change among bank directors and supervisors

by Pekka Huuhtanen, PhD¹

Continuous development of information technology, deregulation, increased competition, and product diversification have led to the restructuring of banking organizations and of tasks and skills. In order to meet both the challenges of a constantly changing environment and expert organizations with skilled personnel, new innovative leadership strategies are needed (1, 2). An increased flexibility of organizations and restructuring of work roles can lead to increased stress and insecurity. The manner of planning and carrying out changes is of crucial importance as regards the experienced threat or opportunity during the change.

Research data have been gathered about the implementation of computer systems and their impact on work contents and stress among banking employees (3-5). Less attention has been paid to the changes and stress at different occupational levels (6). Exceptional also are studies which analyze the relationship of leadership behavior and organizational change processes. (See reference 7.)

In a Finnish nationwide banking organization, a research and development project was carried out to develop training to help managers master change processes better. One part of the study consisted of gathering data about changes in a questionnaire survey in 1988 and 1990. The following two questions are considered in this paper: (i) how do directors and supervisors evaluate past changes and how do they see future changes in their work organizations, and (ii) how are the evaluations of past changes connected with experienced stress at work and job satisfaction?

Subjects and methods

A total of 342 banking employees evaluated job demands, stress factors at work, the process of implementing change, commitment to the bank, and attitudes toward future changes in 1990. They formed two study groups. The first consisted of managing directors and bank directors, and the second comprised immediate supervisors of banking employees. Eighty-three percent of the directors ($N = 40$) and 44% of the supervisors ($N = 40$) were men. The mean age of the directors and supervisors was 41.5 (SD 8.9) and 39.3 (SD 6.7) years, respectively.

The subjects were asked to evaluate the content and implementation of changes in their banks during the two-year period preceding the study. Both structured and open-ended questions were used that were based on earlier studies on change by the Finnish Institute of Occupational Health. Some of the results will be compared with the survey compiled two years earlier in a parallel study population.

Results

The most typical changes to occur in banks during 1988-1990 were changes in products (88% had experienced this kind of change), organization (76%), computer systems (72%), and service systems (40%). In addition a change in the director of the bank was rather common during 1988-1990 (41%). Many of these changes occurred simultaneously.

General satisfaction with the planning and implementation of past changes was asked about in a question with the following four alternatives: satisfied, rather satisfied, rather unsatisfied, unsatisfied. Seventy-nine percent of the directors and 58% of the supervisors were at least rather satisfied with the implementations that had occurred by 1990. The contents of the changes were evaluated as positive by 73% of the directors and 59% of the supervisors. The changes were personally desired more often by the directors (85%) than by the supervisors (60%).

The changes were experienced as challenging by 54% of the directors and 50% of the supervisors. One in five of both groups felt that the changes were somehow threatening.

The directors were much more satisfied (85%) with their possibilities to participate in the planning of change than the supervisors (45% satisfied) were. The same type of differences were also found between the two occupational groups for most of the other items used for the evaluation of the implementation process (table 1).

Because of their earlier experience with changes, the directors had a more positive attitude toward future changes than the supervisors did. Fifty-eight percent of the former and only 26% of the latter had a very positive attitude toward changes. However, 39% of the directors and 50% of the supervisors had a rather positive attitude. One in four of the supervisors had a slightly reserved attitude toward future changes in their work.

¹ Institute of Occupational Health, Helsinki, Finland.

Table 1. Percentage of directors and supervisors satisfied with various items used to evaluate the process of implementing changes.

	Directors (N = 39) (%)	Supervisors (N = 35) (%)
Participation in the planning of change in practice	87	59
Information in advance	74	55
Grounds for change	87	66
Training during change	97	45
Continuous support	86	55
Support from own supervisor	77	63
Supervisors' understanding of personnel expectations	64	41
Amount of time during change	84	59

The correlation (r) between general satisfaction with the implementation of past changes and the attitude toward new changes was 0.44. General satisfaction correlated best with satisfaction with continuous support during change, how grounds for change were presented, and how supervisors took into consideration the expectations of staff ($r = 0.50$ for each, $P < 0.0001$). The correlation with satisfaction with training was 0.39.

The most common stress factors at work were the amount of work (29% felt that the amount of work caused stress rather often or continuously), haste (28%), continuous changes (14%), and difficulties in getting information (14%).

General satisfaction with the implementation of changes was associated with the following experienced stress factors at work: difficulties in getting information ($r = -0.39$), job security ($r = 0.36$), and problems with supervisors ($r = -0.35$).

Job satisfaction correlated with continuous support during change ($r = 0.47$), but also with general satisfaction with the implementation of changes ($r = 0.43$).

Discussion

The results showed significant differences in the evaluations of directors and supervisors in banking. The directors had more influence and resources in both planning and implementing changes. They had greater control over their work environment due to the fact that they themselves are often change agents in their organizations.

In contrast to top managers, immediate supervisors form a buffer between the demands of their directors and the employees. This conclusion is supported by the fact that, in many issues, the supervisors evaluated the implementation of changes more negatively than

the directors, but also more negatively than the employees. In addition to mastering changes in their own tasks, supervisors should be able to motivate and support their staff members in a turbulent international business environment.

The main conclusion of this study is consistent with that of earlier Finnish studies on changes in banking tasks (5, 8); namely, so that supervisors can master continuous changes in their work, their training should be developed to create more encompassing mental models of their work. The training of immediate supervisors has thus far mostly focused on the acquisition of technical skills.

Cross-sectional survey data on which to base causal conclusions of a manager's role in changes are limited. Given the small size of the two managerial groups, it was not possible to compare the implementation processes of different types of changes. A comparison of the evaluations of change in 1988 and 1990 revealed a general positive trend as regards adaptation to change. The evaluations were, for the most part, more positive in the latter survey. This finding indicates that people working in banks have at least somewhat adjusted to the new era of changes in their organizations. Further studies are needed to evaluate the possible effects of new models of training on the mastering of change.

References

1. Child J. Managerial strategies, new technology and the labour process. In: Knights DK, Willmott H, Collinson D, ed. *Job redesign: critical perspectives on the labour process*. Northampton: Gower, 1987:107-41.
2. Darling JR. Developing the quality of working life in an organization: the critical role of managerial leadership strategies. In: Lehtinen S, Rantanen J, Juuti P, Koskela A, Lindström K, Rehnström P, et al, ed. *Proceedings of the international symposium on future trends in the changing working life: proceedings 3*. Helsinki: Institute of Occupational Health and Finnish Employers' Management Development Institute, 1991:73-84.
3. Björn-Andersen N. The impact of the computer systems in five banks. In: Björn-Andersen N, Hedberg B, Mercer D, Mumford E, Sole A, ed. *The impact of systems change in organisations*. Alphenaan den Rijn (The Netherlands): Sijthoff & Noordhoff, 1979:269-82.
4. Johansson G, Aronsson G. Stress reactions in computerized administrative work. *J Occup Behav* 1984;5:159-81.
5. Huuhtanen P, Leino T. The impact of new technology by occupation and age on work in financial firms: a two year follow-up. *Int J Hum Comput Interaction*. In press.
6. Turnage JJ, Spielberger CD. Job stress in managers, professionals, and clerical workers. *Work Stress* 1991; 5(3):165-76.
7. Ropo A. Leadership and organizational change. Tampere: University of Tampere, 1989. (Acta Universitatis Tampereensis series A; vol 280.)
8. Huuhtanen P. Human side of design processes: challenge of learning. *Educ Comput* 1990;6: 1-2, 23-7.