Psychosocial risks and health effects of restructuring: The empirical evidence

Background Document to the High Level Conference

Investing in well-being at work: Addressing psychosocial risks in times of change

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Stress potential of transitions

*Characteristics of transitions:*

- disruption of routines
- loss of security and predictability
- confrontation with inadequate resources to fulfil the required tasks
- fear of the future
- loss of social integration
- risk of social exclusion
3 lines of considerations

The potential of this background document was to bring together 3 different lines of considerations:

• Health effects of unemployed: the “direct victims” of restructuring

• Health effects of survivors: “survivor sickness” (survivor syndrome)

• The role of middle or line management as drivers and role models of change (but also: health effects in this group)
Psychosocial impact of restructuring

- Increase of job insecurity

Specific stressors:
- unpredictability of the future
- uncontrollability: rumours
- uncertainty
- new task design
- increase of competitiveness among employees: work climate
- lack of anticipation period
- restructuring and downsizing often handled and perceived as „accident“
Health impact of restructuring: direct victims

Effects of job loss and continuing unemployment:
• Increased likelihood of morbidity and mortality
• Increased risk of poor MH and para-suicides
• Higher rates of all cause and specific causes of mortality
• Self-reported health and limiting long-term illness

Loss of control:
• Depressive feelings, lower self-esteem
• Reduction of capacity to react,
  • Lower belief in self-efficacy
  • Emotional instability
Health impact of restructuring: direct victims

*Increase* of
- Passivity
- Prescription of drugs
- Higher prevalence of risky health behaviours incl alcohol use and smoking, poorer diet, physical inactivity, poor standard of sleep (esp young men)
- Drug and medical consumption
- Extension of effects to victims-by-proxy and wider community

*Explanations: Financial hardship and blaming experiences*
- Risk of a downward spiral
- Hysteresis effect of persistent unemployment
Health impact of restructuring: survivors

- strain-fatigue
- long-term sickness absence (2.3 higher 10-town)
- disability pensions
- use of psychotropic drugs (sleeping pills and tranquilizers)
- nicotine and alcohol consumption
- complaints of health impairments
- emotional exhaustion

*Increased work intensity* as major source of

- stress and burnout
- higher physical strain: Musculoskeletal problems
- increase in occupational accidents

Main contributing factors:
Lowered self-efficacy and lack of social support, perception of unfairness
Health impact of restructuring: middle managers

The “executors” of change: Middle or line managers
• The “central nervous system” of the organization
• “Caught in the middle” (due to their sandwich position)
• Drivers and role models of change

Individual effects of restructuring:
• Increased stress and burnout levels
• Physical and psychological health complaints
• Emotional instability
• Disturbed sleep
• Increased alcohol consumption
• Contamination effect with problems of their subordinates
Role of trust and fairness in organizations

Explicit contribution of fair procedures regarding the

• distribution of burdens (distributive justice): sharing the burden in hard times?

• Procedures how to come to such conclusions (procedural justice): transparency, impartiality, timeliness

• way how it is communicated and interacted (interactional justice): e.g., avoidance of rumours
Protective factors for healthier restructuring

Middle or line managers: The “executors” of change

• Social support (from supervisors or/and external coaches)
• Availability of tools and instruments
• Helpful, supportive and accepting environment facilitates coping
• Acceptance of change
• Perceptions of justice in all dimensions
Socially Responsible Restructuring

An enlightened management should include these health considerations into the concept of socially responsible restructuring, which will not only lead to

- higher competitiveness but also,
- through the protection of the health of workers,
- to a smoothing of the process of organizational and social change.

A healthy workforce is in the interest of all stakeholders and social institutions if a competitive European workforce is to be maintained.