

Re-Prioritizing Health in Restructuring

Prof. Dr. Thomas Kieselbach, University of Bremen

Co-ordinator of *European Expert Group on Health in Restructuring (HIRES)*
(DG Employment)

Board Member of International Commission on Occupational Health (ICOH)

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Restructuring as a health issue

1. Restructuring no longer a temporary crisis, but a recurrent and continuous process
different types: closure, downsizing, outsourcing, offshoring, sub-contracting, merging, delocalisation, internal job mobility

2. „Healthy organization“ as an economic term has to be extended (and brought back) to the health of the employees:
 - victims of layoffs
 - survivors of layoffs
 - collective health (social climate, positive relationships)

Empirical evidence: victims

- Psychological distress
- Depression
- Anxiety
- Cardiovascular problems
- Increased immune suppression
- Deterioration of health behaviour:
 - Medical consumption and drug use
 - Bad diet
 - Physical inactivity
 - Poorer sleeping standards
- Increased mortality rates
- Hysteresis effect of unemployment
- Mass unemployment as „epidemiological catastrophe“ (WHO)

Empirical evidence: survivors

Layoff survivor sickness:

- Role ambiguity
- Decline in trust
- Psychological distress
- Increase of nicotine and alcohol use
- Increased work intensity
 - Major source of stress and burnout
 - Higher physical strain: Musculoskeletal problems
 - Increase in occupational accidents
- Increase of disability pensions

Empirical evidence: managers

Contagion effect:

- Increased symptoms of stress and burnout
- Physiological & psychological health complaints
- Emotional instability & exhaustion
- Alcohol as coping mechanism
- General effects of job insecurity

Empirical evidence: communities

- families and partners of the victims and survivors:
victims-by-proxy
- communities (collaboration between PH and PES)

HIRES Expert Group

Co-ordinator:

Thomas Kieselbach

U Bremen, I Psychology of Work, Unemployment and Health (IPG),
Germany

Steering group:

Steve Jefferys

Working Lives Research Institute, Metropolitan U, London, UK

Karl Kuhn

BAuA/NIOSH, Dortmund, Germany

Karina Nielsen

NRCWE/NIOSH, Copenhagen, Denmark

Claude-Emmanuel Triomphe

ASTREES, Paris, France

Partners:

Elisabeth Armgarth

Ericsson, HRM, Stockholm, Sweden

Sebastiano Bagnara

International Ergonomics Association & U Sassari, Alghero, Italy

Marc De Greef

PREVENT, Brussels, Belgium

Anna-Liisa Elo

FIOH, Helsinki, Finland

Catelijne Jolink

TNO, Amsterdam, The Netherlands

Nikolai Rogovsky

ILO, Geneva, Switzerland

Benjamin Sahler

ANACT, Limoges & U Rouen, France

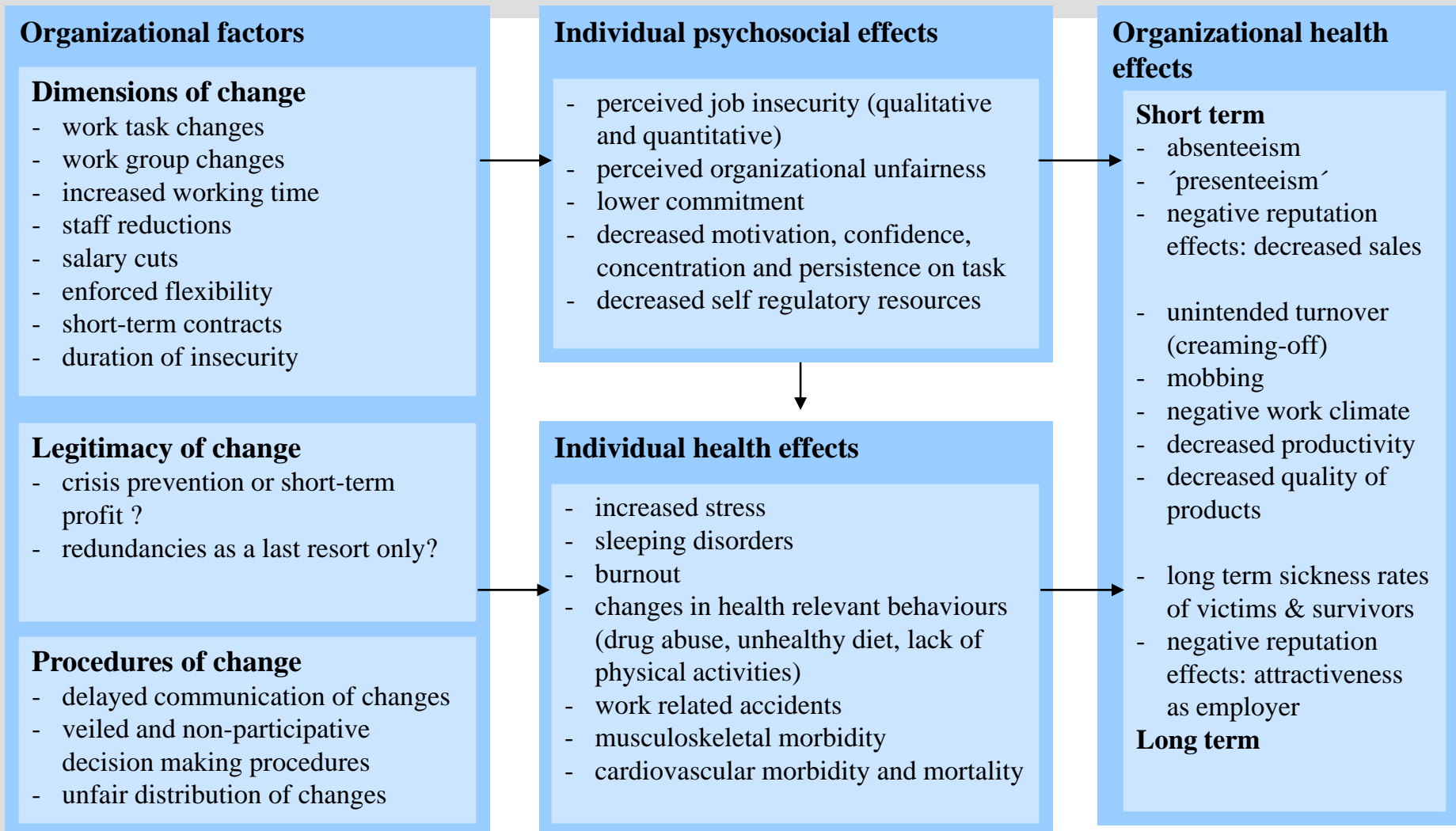
Greg Thomson

UNISON, London, UK

Maria Widerszal-Bazyl

CIOP-PIB, Warsaw, Poland

Restructuring risks for individual and organizational health: The business case



HIRES Recommendations

1. Monitoring und Evaluation

- Monitoring and evaluation on EU, national, regional and company level
- EU Restructuring Monitor
- European Survey on Enterprises and New and Emerging Risks – Psychosocial Risks (ESENER-PR) Bilbao Agency

2. Direct victims: redundant employees

- Inadequate personal resources to cope with change (job loss, unemployment)
- Necessity of a “social convoy” in occupational transitions:
Outplacement/Replacement counselling
- Improvement of employability
- Immediate offers of help as part of preventive plans for R (help-line)
- Labour market integrative health promotion

HIRES Recommendations

3. Survivors' reactions and organisational performance

- Increased job insecurity, work intensification, increased stress levels
- Decreased job satisfaction, lower commitment, loss of productivity

Need for

- transparent and consistent information
- Early integration of employees' representatives: Social dialogue

4. Role of managers responsible for restructuring

- Key role of middle managers in R: Sandwich position
- Interpreters of upper management decisions and potential victims
- Role model and drivers of change

Need for

- Integration into decision procedures of change
- Creation of awareness of health dimension of R

HIRES Recommendations

5. Organizational anticipation and preparation

- Training of employability: Flexibility, readiness for change
- Timely and adequate communication
- Strategic long-term approach: R as necessary and recurrent part of organizations
- Responsibility of sectoral and regional partners

6. Subjectively experienced justice and trust

- Legitimacy of organizational change: General goals of company
- *Distributive justice*: Sharing the pain and the burden (injustice of bonus & salary system in the crisis when dismissals are involved): Fair selection criteria
- *Procedural justice*: Transparent, fair procedures, social dialogue
- *Interactional justice*: Transparent, timely, honest communication

HIRES Recommendations

7. Change communication plan

- Clarification of channels of communication, time schedule, roles of different actors

Elements of good communication:

- Quality: Accessibility, accuracy, usefulness tailored to target groups
- Timing
- Direction: 2-way flow of communication

8. Protecting contingent and temporary workers

- Convenient buffers in R for employers and unions
- Those in need of specific health support receive less support
- Equal rights for health promotion in R
- Need for trade unions to be more actively involved

HIRES Recommendations

9. New directions for Labour Inspectorates

- Stimulate general prevention principles into wider risk assessment
- Include R alongside stress, harassment etc. in the focus of psychosocial stressors
- Prevent discrimination of temp workers
- Develop a more proactive work plan for organizational change

10. Strengthening of OH services

- Promotion of prevention and workplace health promotion before, during and after R
- Multi-disciplinary teams (physician, nurse, psychologist, physiotherapist, occupational hygienist)
- Networking with local communities, service chains for dismissed employees
- Plan for capacity building, good practice guidelines, tools for OH services

HIRES Recommendations

11. Specific support for SMEs

- Creation of professional counseling agencies for SMEs
- Specific role of branch organizations and regional institutions
- Health promotion as competitive advantage for companies

12. New initiatives in Europe

- Open the CSR concept to health in restructuring
- Establish routine health promotion in R
- Normalize discourse on career change and employability

Conclusions

- Health impact assessment of restructuring and the development of a concept how to deal with it should become a standard prerequisite for companies undergoing major restructurings
- Public support programmes should not focus primarily on the economic health of companies but on the health of the employees affected as well
- Mass unemployment can have a long-lasting psychosocial effect
- Neglect of health issues may lead to vicious circles of restructuring with a lower productivity (ILO)
- Inclusion of health will be in the enlightened self-interest of management

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