

# Investing in well-being at work

Addressing psychosocial risks in times of change

Social Europe



European Commission

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**European Commission**

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## Restructuring and change: The health dimension

Restructuring has become a daily practice in both the private and public sectors in the EU. Beyond the major restructuring that is related directly or indirectly to the economic crisis, there are numerous silent restructurings affecting individual small and medium sized enterprises, fixed-term contract workers, temporary workers and small entrepreneurs, who are experiencing severe problems. While restructuring is essential in order to confront present and future economic challenges, it needs to be carried out in a way that minimizes the waste of human capacities and resources which has happened in too many cases in the past. The aim should be for restructuring to contribute in the long term to the Europe 2020 goal of "inclusive growth", leading not only to improvements in economic output but also to social goals, such as greater social cohesion, well-being and reduction of health inequalities. In this respect, the crisis has demonstrated a common interest among public authorities, employers and workers to devise temporary measures aimed at maintaining employment wherever possible during the downturn.

In many countries, psychosocial problems have now become a major cause of incapacity for work. Although this is first and foremost a public health issue, and in particular an issue of safety and health at work, we must not underestimate the economic consequences either. There is a growing body of evidence of the potential negative effects that restructuring has on the health of workers and their families. Uncertainty and job insecurity also represent an important link between restructuring programmes and effects on employees' health. Depression, absenteeism, difficulty sleeping, suicides have been flagged up as major telltale signs. However, there are also some encouraging examples of how these risks can be reduced through careful management and support to staff. Improving knowledge of the health effects of restructuring and how to tackle them is important not only to avoid unnecessary health risks, because restructuring can have a negative impact on health. It can also be regarded as a useful investment in the future of the European workforce and a means of defending the European model as a sustainable and competitive one.



The EU provides a legal framework and a number of support activities that can help to address this issue, which is often neglected. The EU also promotes strong social dialogue which allows the social partners to play an important role in anticipating and preventing detrimental effects on health. Since 2004, the European partners have concluded two major agreements – one on stress and one on harassment and violence at work – that are being implemented by their members at national level. Public authorities and specialized occupational health and safety bodies have also issued various recommendations.

This leaflet highlights some of the central issues associated with organizational change, restructuring, health and well-being, and explains what can be done to prepare organizations and people more effectively for major changes.

# The health effects of restructuring: Some empirical results

## **Those directly affected by downsizing: The dismissed (as they are referred to in many studies of the immediate victims)**

A long tradition of unemployment research has highlighted the detrimental effects that job loss and persistent unemployment can have in terms of making the lives of the individuals affected worse. In addition, it is generally acknowledged that being in work is beneficial to people's physical and mental health and well-being, in contrast to being out of work. Workers who have been dismissed often experience this as a trauma or a shock, depending on whether adequate offers of help are available, and they sometimes have major difficulties in coping with this situation. The main effects are psychosocial distress, depression and anxiety, and psychosomatic diseases, such as cardiovascular diseases. These disturbances can even trigger suicidal behaviour. The impact on the morbidity and even mortality of people who have been faced with the fact of losing their job is well documented. A deterioration in health behaviours (increased drug use, poor diet, physical inactivity and poorer quality of sleep) can impact on workers' long-term health. Social withdrawal caused by lack of self-esteem and feelings of stigmatization can further aggravate the health situation and lead to a downward spiral into long-term unemployment. Even those who found another job, but were underemployed (i.e. the job did not live up to their expectations or qualifications) show a lower level of health, even after reemployment.

## **The survivors of restructuring: Those who remain in the organization**

Those who used to be considered the "lucky ones" are now the subject of empirical research which has given us the expression "layoff survivor sickness" (Noer, 1997). It means that feelings of guilt and continued uncertainty impact on people's health, leading to strainfatigue which can be correlated to the increase of long-term sickness absence (2.3 times higher in the study of ten Finnish towns), the use of psychotropic drugs (sleeping pills and tranquilizers), increased nicotine and alcohol consumption, complaints of impaired health and emotional exhaustion. The lowered levels of self-efficacy and the lack of social support, plus the marked increase in job insecurity may have contributed to this trend. Increased work pressure and intensification may be responsible for the increase in occupational accidents and diseases observed in a number of cases of reorganisation.

## **The line managers responsible for implementing restructuring**

Those responsible for implementing restructuring decisions – i.e. the middle or line managers as executors of change – are faced with a level of distress and workload that can have an adverse effect on their well-being. They are caught in the middle between the directives and decisions of senior management and the concerns and negative responses of the workforce (the "sandwich position"). Increased levels of stress and burnout, physical and psychological health complaints, emotional instability, disturbed sleep and increased alcohol consumption as coping mechanisms are very common. This is why the concerns of their subordinates often generate a significant contamination effect among middle managers.

# Restructuring risks for individual and organizational health

To make the business case for a health friendly restructuring, the HIRES project collected and combined all aspects of the health impact of restructuring in a single template. This provides a consistent message to many audiences and helps the leadership team of a company to prioritise health in restructuring projects over the many other initiatives in the business that may require capital investment. It is a perspective on the entire holistic restructuring and enables all organizational bodies affected to become familiar with how these changes happen.



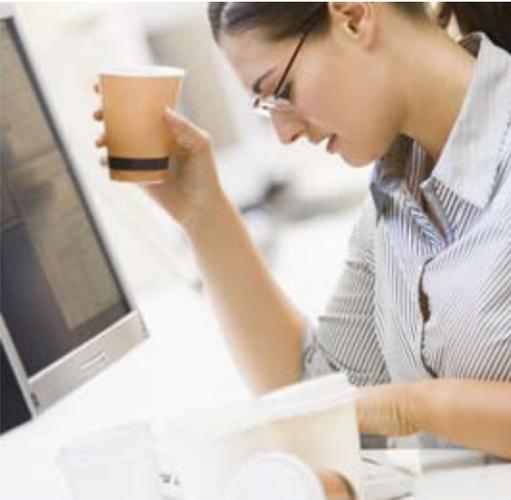
## Groups at risk

Up to now, some of the processes of restructuring and organizational change have disregarded the impact on health. However, the pace of adaptation of the economy to globalized competition can often exceed the person's resources for coping with change. Therefore this cannot be considered primarily as an individual issue. According to many reports and available studies, the main groups at risk during restructuring and organizational changes are the following:

### Employees faced with redundancy

The loss of employment in the context of work-centred societies has to be considered as a fundamental stress factor that is associated with serious risks of negative health effects and social exclusion. Therefore, a central concern is to maintain the psychosocial health of, and/or to limit the adverse health impact on, those who are about to be dismissed - the "direct victims" of restructuring - as a consequence of organizational change. A thoroughgoing reform of European labour markets aimed at fostering employment security can reduce the negative impact of unemployment by encouraging job creation, easing the job search process, and facilitating transitions on the labour market.

### Workers with temporary contracts



Subcontracting, using agency, fixed-term and temporary workers across Europe, is wide-spread and growing. Recent developments, as a result of many restructuring processes but due to the global financial crisis, have shown how vulnerable casual labour and temporary workers are. If nothing is done there is a real danger that this situation will continue, because those workers provide a buffer for restructuring, which leaves them more exposed to health risks and at the same time less well protected. Therefore new policies are needed to reduce labour market segmentation.

### Older workers

Older workers are more likely to be affected by restructuring processes and the economic crisis, and these processes can be extremely stressful and affect their well-being. Organizational restructuring can have a particularly strong impact on older workers, who find it difficult to adapt to technological change or to different skill needs. In addition, older workers are concentrated in traditional industries and therefore adversely impacted by shifts towards service based economies. However, owing to demographic changes, such as the aging population and an aging workforce, older workers are increasingly regarded as a key asset in terms of European competitiveness. Therefore it is important that older workers remain employable and have the relevant skills to stay active on the labour market.



### Those who stay

The success of any attempt at restructuring depends on the reactions of those who stay in the organization after the restructuring: the “layoff survivors”. Organizational downsizing, but also any other type of restructuring that generates high levels of job insecurity among the employees, even when there are no layoffs, is unlikely to achieve the intended outcomes, such as cost minimization or productivity enhancement, if the restructuring has an adverse affect on the health of those who stay. Additionally there are direct costs in terms of the health effects on the survivors, such as increased absenteeism and health treatment costs to consider, as well as potential compensation payments to companies. The way the company handles the restructuring process will have a profound influence on the perceptions of fairness and the subsequent stress reactions of the survivors.

### Middle managers

Middle managers, as a group, are often overlooked when it comes to restructuring, despite the crucial role they play in the process. They are key drivers in helping the process to run smoothly, because they function as the ‘central nervous system’ of the organization: they convey the visions of senior management to the workers and are often responsible for transforming general decisions into specific action and for changing existing practices. At the same time, however, they are themselves at risk of suffering from the stress of restructuring, due to their “sandwich position” in management, but also due to the lack of skills and resources to implement change.

## Good practices – ING Retail NL, ArcelorMittal Bremen and France Telecom

### **The Labour Mobility Centre of ING Retail (The Netherlands):**

#### **Career guidance, training and coaching for personal health and well-being**

The Dutch international bank and insurance company ING was formed by a merger 17 years ago. In 2007, its management decided to totally integrate its two existing separate banks, Postbank and ING Bank. The result was that, between 2007 and 2010, some 1,750 jobs were cut at ING retail bank Netherlands, plus another 750 jobs owing to the financial crisis and the conditions under which financial support had been provided by the national government. Employees and management came up with a social plan for all 2,750 employees affected. This plan focussed on 'work-to-work' transitions for every employee involved. A special internal Department of Labour Mobility coordinated each individual redundancy situation. A personal case manager helped develop individual action plans, and expert mobility advisors offered support in career guidance, training opportunities and coaching in personal health and well-being. At the height, around 60 managers and consultants were involved. In summer 2010, 85% of all employees had a new job - most of them elsewhere within the bank - or were in a training/career bracket leading towards a complete change of profession.

The combination of collective rights and facilities (social plan plus Labour Mobility) and individually targeted support and management turned out to be a key factor for success. It provided training for all line managers and (future) redundant employees focusing on the impacts of change and redundancy at the individual level, and ways to (help people to) cope with loss, anger, and the lack of energy and self-esteem resulting from these experiences. It transpired that people were much more successful on the internal labour market (attending selection interviews and going through the process of qualifying for a new job) and on the labour market in general, once they had 'lived through' the pain, isolation and negative energy connected with dismissal and having been supported during this period.

As regards the experiences and results of this operation, the social partners decided to set up a Task Group on Employability. Its role is to plan and facilitate employability programmes for all ING employees, to avoid situations of long-term 'unemployability', which were observed during this restructuring process and affected many employees at the bank. Prevention should pave the way for more examples of smooth, "win-win" restructuring in future.

### **ArcelorMittal – Bremen: The Talent Pool as a model concept for restructuring**

Restructuring processes at ArcelorMittal Bremen had identified surplus personnel as an issue since 2003. The Human Resources Management department decided to carry out a comprehensive profiling of this group within an organizational unit for placement and development. It focused on the health resources and limitations of the participants and looked for new positions for them according to their capacities, without resorting

to dismissals. A unit for the hiring-out of employees for internal and external use via an external socially responsible service provider for temporary work was developed and converted into a flexibility unit (Talent Pool), reporting directly to the board, through which up to 30% of the whole staff passed. Key tasks of the Talent Pool are:

- Identification of surplus personnel and individual profiling of employees.
- Equitable planning flexible personnel deployment according to the identified resources.
- Analysis of personnel shortages and bottlenecks, and planning of project work and insourcing.
- Procurement of know-how for the company, and integration and assignment of trainees.

There is a clear focus on the orientation of resources to exploit the potentials of the employees in Talent Pool by giving them the option to experience different workplace situations. The analysis of the individual health resources and limitations was conducted by the Occupational Health Services. Since 2008 this concept has been accepted as a model concept for the global company.

### **France Telecom: A new social deal?**

The inclusion of France Telecom as an example of good practice in organizational change may seem surprising, given that since 2008 dozens of France Telecom employees had committed suicide, starkly revealing a deep crisis in morale among its 100,000-strong French workforce. This led to very heated debates within the company and throughout France about the way France Telecom was dealing with change since its transformation from a public administration into a private company, which was still partly owned by the State. This also led to an emergency plan at national level, promulgated by the French Ministry of Labour, to tackle stress - including during restructuring processes.

However, organizational change is also a learning process. After acknowledging its mistakes, the company committed itself to a range of changes and negotiations. A new board of directors was appointed, which has recently made public the components of a new set of terms and conditions for the workforce, whilst instigating a process of negotiation on stress covering five topics: work organization, working conditions, mobility rules, work-life balance and employees' representative bodies.

Eight agreements have been signed since September 2009. The most recent of these, completed in September 2010, covers work organisation. Its aim is to prevent psycho-social risks by giving employees more autonomy and a greater incentive to take initiatives, by enabling mutual learning and by making management more accessible to them. Implementing this innovative agreement will be a challenge for both management and trade unions alike.

## Good practices – Regional approaches and SMEs

Regions and local communities are appropriate frameworks to act and to reflect on the relationship between economic changes and health, for the following reasons:

- They are the territories in which many actors operate, including those relating to health prevention and health care.
- They allow mutual learning and development based upon experiences over a long period of time.
- They facilitate long-term strategies for dealing with change and restructuring, and
- They help SMEs to develop the correct dimension of work and to deal with health issues in organizational change.

### **Participative restructuring toward a cascade-based network:**

#### **The Florence leather industry – the role of SMEs**

This case study is about the restructuring of the leather industry in Florence (Italy). Restructuring has made it possible for this industry to grow from a few leather factories facing significant economic difficulties to a large number of enterprises employing more than 10,000 people – known as the Florence leather district. A new organisational phenomenon has been put in place, steered by some of the brand owners who pioneered the first restructuring from craft to industry, and from locally known workshops to worldwide recognized brands, with the support of local authorities and associations of SMEs. The disruption of the factories has been accompanied by the development of a particular type of industrial district, which is organised on the cascade model.

The various stakeholders (brand owners, SMEs, SME associations, local authorities and trade unions) have together set up a participative model for restructuring that has had very positive effects on both employment and health and safety. The quality control is distributed across all levels, with the higher level being in charge of the quality of the lower level; however, all levels are continuously monitored and inspected by the brand owners.



This case underlines the crucial need to preserve and improve the reputation of the brand and its products. Indeed, brand owners have applied the principles of Corporate Social Responsibility (CSR) which includes the issue of health and safety at work. This initiative was strongly promoted and supported by local authorities (including an association of very small enterprises, most of which were artisans' workshops) which sought and, in some cases, provided incentives and were responsible for the widespread dissemination of the CSR policy. Although the trade unions had lost direct control at the grass roots level – because of the “atomisation” of the workforce into hundreds of small enterprises – engaged in a process of policy building and of implementing good practice, as well as playing an institutional role at the level of policy setting and decision making.

The case study shows that restructuring is to be regarded as a prolonged process that may involve a large network or a cluster of SMEs. It shows that restructuring can have positive outcomes for employment, and also for health and safety. It stresses the critical value of ethics and social responsibility, which can be instrumental in establishing and maintaining healthy and safe working conditions. Lastly, it highlights the role of the local administrations and SME associations in framing policies and supporting good practices in restructuring.

#### **Restructuring industry and competitive economy: Policy and actions for SMEs in North Rhine-Westphalia (Germany)**

A study was made of the policy and actions taken in the German region of North Rhine-Westphalia (NRW), which has had to confront a radical shift of its economy over the past four decades. The region was first faced with a downturn in employment because of restructuring in traditional primary sectors and manufacturing, although the employment statistics balanced out in the long term perspective as a result of the creation of new jobs in new economic sectors. This study focuses in particular on SMEs, as it is noticeable that SMEs are becoming more significant in the labour market. The aim of the study was to make an analysis of the healthy restructuring which had taken place over the past decade.

First of all, as regards the policies applied in the restructuring of the economy, it can be said that all of them include the promotion of structural change. Comprehensive strategies have been developed to respond to change and to support the restructuring process. In order to encourage SMEs to participate in the various programmes, the NRW government is offering financial incentives. Funding is cofinanced under the European Social Fund.

NRW is developing innovative partnerships to inform managers of SMEs about health risks and health promotion either locally, regionally or by sector, according to need. Emphasis is placed on active measures for employers to (re)design healthy organisations and increase the competitiveness of their enterprises, and for employees to enhance their employability.

Given that SMEs have limited resources and/or experience in the area of change management, most activities focus on building up capabilities and enabling undertakings to improve their management skills and performance. To achieve this goal, three main instruments have been successfully applied so far: counselling services, vocational training (e.g. both employers and employees can receive cheques for vocational training) and experimental projects on restructuring.



### **Hydromechanika Wieslaw Szajda – a Polish SME with a new slant on how to handle stress in restructuring**

Hydromechanika is a small family company, founded in 1982, which specializes in the machining of metals. After the political, economic and social events in Poland in 1989, Hydromechanika changed its production style and opted for small series of precision products, making use of new technologies and advanced machinery. After 2000, Hydromechanika underwent a relevant and dynamic development, which also resulted in an expansion of human resources, especially in the field of engineering and control structures. The industrial crisis in 2007/2008 put a stop to the dynamic development of the companies in the Hydromechanika group. While it did not lead to any serious consequences or mass job cuts, it did nevertheless have a psychological effect on all of the company's human resources - the employees, the employer and his family members. Stress - which had been present throughout all of the changes and had affected all of the above-mentioned groups - was a typical, human reaction to all the efforts that are required during a period of change.



Hydromechanika's proposed solutions to overcome the problem of stress in restructuring consisted of the following:

- Information sessions and training for employees.
- Improving the communication skills of employees and managers.
- Creating a system of reporting problems to managers.
- Better organisation of work time.
- Introduction of an evaluation system covering employees and managers. Regular evaluations resulted in the improvement of their skills and fewer bad habits.
- Introduction of meetings of the production engineers to discuss current problems. Introduction of a new organisational structure, with a specialist in human resources management.
- Coaching (a new employee works with his mentor, who is responsible for dealing with all of his/her problems).

The quality management system was also seen as a very important factor in this context.

## Useful tools

### The Analytical Resource Kit (ARK)

The project “Employee resilience in times of change”, which is led by the Confederation of British Industry and the UK Work Organization Network (UKWON) and supported by DG Employment, identified approaches to mergers and restructurings that were able to sustain and enhance well-being at work.

Based on case studies of European companies and the existing body of research, an Analytical Resource Kit (ARK) was developed to help companies overcome the unilateral approach of a strategic management perspective for restructuring. Unless it takes account of the health impact of restructuring, such an approach can affect the psychosocial health of employees and the efficiency of companies alike. The kit identifies ten principal dimensions of employees’ and organizational resilience: communicative competence, change through partnership, organizational orientation, transferable competencies, reflexivity, health and well-being, orientation towards learning and development, team orientation, work relationships and creative thinking.

In order to counteract the depletion of resilience during times of rapid change, the toolkit uses questionnaires for managers and employees to identify their perception of how well the organization works in each of the ten dimensions. The analysis of the discrepancies between employees and managers enables those areas where improvement is required to be identified. The companies receive a tailored report on where to improve company practice in each of the ten dimensions, plus a portfolio of actionable knowledge (case studies, practical tools and research) designed to improve their practices ([www.resilient-organisation.org](http://www.resilient-organisation.org)).

### The ETUC interpretation guide on stress

This interpretation guide provides an overview of the content of the European framework agreement on stress, focusing on the main issues at stake which were the subject of discussion throughout the negotiations. Furthermore, this guide provides:

- An overview of the Framework Directive 89/391/EEC and its “individual” directives.
- An analysis of some EU legislation and case law proving that stress at work is covered by that legislation.
- A non-exhaustive list of potential “stressors”.
- Some examples of methods for screening the prevalence of stress at the workplace, such as:
  - the Karasek Job Content Questionnaire (JCQ) designed to measure scales assessing psychological demands, decision latitude, social support, physical demands and job insecurity;
  - the Copenhagen Psychosocial Questionnaire (COPSOQ) which measures eight scales assessing issues such as quantitative demands, influence at work, predictability, role clarity, etc.;
  - the QPSNordic – available for Nordic countries and developed to measure essential psychological and social factors of work, work organization and work environment, such as quantitative demands, decision latitude, role clarity, etc.;
  - the VT - Vécu au travail, which was first developed in the Netherlands - assesses the different characteristics of work, work organization, social relations and working conditions.



## Useful frameworks in the EU: Legislation

Since 1989, the Community Charter of Fundamental Social Rights for Workers, now incorporated in the European Union Charter of Fundamental Rights, has affirmed the importance of the rights of information, consultation and participation of workers and links these rights explicitly to situations of restructuring or mergers of companies affecting the employment of workers. More specifically, the legal framework dealing with restructuring, organizational change, health and well being at EU level consists of three areas of legislation to be taken in account:

### Occupational health and safety

The Framework Directive (89/391) lays down the principles for the introduction of measures to encourage improvements in the safety and health of workers and refers among others to

- Occupational health, as a “duty to ensure the safety and health of workers in every aspect related to the work”.
- The introduction of risk assessment and the systematic documentation of the results as a foundation for the establishment of a prevention programme consisting of technical and/or organizational measures.
- The information and consultation of workers in order to allow them to take part in discussions on all matters relating to safety and health at work.
- A duty to ensure that each worker receives adequate safety and health training throughout the period of employment.
- Prevention programmes to be continuously updated as long as risks persist.

### Restructuring

Two directives stand out. They are

- The Directive on collective redundancies (98/59) the aims of which include regulating such redundancies, introducing special obligations for employers (information, consultation and encouragement to set up social measures covering things from prevention to compensation) and providing information to national public authorities.
- The Directive on safeguarding of employees’ rights in the case of transfers of undertakings (2001/23) with the aim of making it compulsory to respect labour contracts and their related rights and giving specific rights to workers affected by such operations.

### Information and consultation

Under this heading there are two main directives:

- The Directive on the establishment of a European Works Council (2009/38/EC), the main aim of which is to ensure that management informs and consults with members of works councils in exceptional situations affecting the interests of workers, especially in respect of relocation, closure or mass layoffs.
- A general framework for the purposes of informing and consulting employees in the European Community (2002/14/EC), with the aim of encouraging social dialogue to prevent these problems.



## Useful frameworks in the EU: Social dialogue

The European social partners - ETUC, BusinessEurope, UEAPME and CEEP - have signed two important framework agreements, which were due to be implemented by their members at national level within three years. They are:

### The framework agreement on work-related stress

Signed on 8 October 2004, this agreement marks a big step towards action to tackle work-related stress:

- It acknowledges work-related stress as a common concern of European employers, workers and their representatives and includes it and its causal factors among the risks that should be prevented.
- It lays down a general framework for preventing, eliminating and managing work-related stress factors (stressors), with specific reference to work organization and content, the working environment, subjective social factors, and communication (including uncertainty about employment prospects or forthcoming change).
- It spells out employers' responsibilities, while participation and cooperation by workers and their representatives in the practical implementation of measures to eliminate or manage work-related stress are an essential part of the framework agreement.
- It suggests a non-exhaustive list of management and communication measures in the above mentioned areas, which include training, and also information and consultation of workers and their representatives.

### **The framework agreement on harassment and violence at work**

Signed on 26 April 2007, the agreement provides among others for a method to prevent, identify and manage problems of harassment and violence at work, which:

- Requires enterprises to have a clear statement making it clear that harassment and violence at the workplace are not tolerated and specifies the procedure to be followed in the event of problems.
- Recognizes that the responsibility for determining, reviewing and monitoring the appropriate measures rests with the employer, in consultation with workers and/or their representatives.
- Enables cases of violence by third parties to be dealt with under the provisions of the agreement, where appropriate.

While these two framework agreements do not deal explicitly with restructuring and organizational changes, they are useful for the purposes of tackling this issue. Other social dialogue activities may be helpful, starting with the common social dialogue which should be held at company level when collective dismissals or major changes are taking place.

### **EU-wide OSH framework**

From an EU-wide OSH perspective, it is also important to stress the tripartite mechanism which characterizes the workings of the EU Advisory Committee on Safety and Health at Work, on which workers, employers and Member States are represented. This advisory body may play a role in the future with regard to psychosocial risks in the workplace, aimed at achieving a balanced OSH perspective on such issues.

## Health in change and restructuring? – good practices

The following five good practices have been identified in order to tackle detrimental health consequences due to major changes in company operations more effectively.

### Monitoring and assessment

Besides monitoring at national and EU level, which requires harmonized surveys and databases, the health impact assessment of restructuring can and should be integrated into the existing risk assessment strategies undertaken at company level. As it involves the relevant OSH structures, this risk assessment should be managed through methods that focus on the procedures relating to communication flow, manager support, employee participation and readiness for change. Risk assessment has to be undertaken before, during and after restructuring so as to minimize the potential adverse effects of restructuring on employee health and safety and to be followed up by action plans that addressing the critical issues raised by the risk assessment. This monitoring should adopt a pragmatic approach and be part of the companies' daily practice.

### Social dialogue and communication

Sound continuous and constructive social dialogue at all levels is vital to the processes of change and restructuring. Developing employability on the one hand and preventing new risks, such as stress, on the other have to be interrelated within social dialogue. Joint actions, initiatives and collective bargaining capable of addressing the various aspects of change, including health aspects, should be promoted at all levels: company, sector, regional, local and cross sector.

Without good communication, those employees affected by restructuring are likely to feel alienated, marginalized and powerless. Adequate communication can help to reduce uncertainty, reassure employees that their views and interests are being taken into account and even help produce a feeling of ownership of the restructuring amongst employees. Good communication consists of three elements:

- Quality: it should be tailored in such a way that each individual is aware of what restructuring will mean to them.
- Timing: information needs to be timely so that the recipients can see that their legitimate interests are being taken into account.
- Direction: a two-way flow of information is needed in order to demonstrate that employers are taking account of the views expressed by employees and their representatives by acting constructively in response to them.

### Consistency and fairness

In order for trust to be established, it is critical for employees to believe that their employer is treating them fairly. Dealing with health and restructuring requires greater cooperation and trust between employers and employees. Employees must be confident that they will be treated fairly. Fairness in this context is experienced in the three dimensions of justice, namely: distributive, procedural and interactional justice. *Distributive justice* is perceived when employees consider the selection criteria for dismissal or redeployment within the company as fair. *Procedural justice* means that the employees experience the procedures implemented during the course of reorganization as fair, with the possibility of participation. *Interactional justice* refers to the internal and external communication about the decisions taken and the procedures applied. To maintain employees' trust through the period of uncertainty created by employers' restructuring, social partners and policy makers need to address all three dimensions, taking into account the magnitude of the restructuring operation at issue.

Consistency is also important. Employees must have the feeling that decisions on restructuring are taken and implemented in a fair, consistent and impartial manner. If employees have a say in the decision-making, they are more likely to see the procedure as fair. The participation of the relevant OSH structures may lend credence to the whole process.



### **Training and education**

In order to tackle changes and restructuring, the emphasis that is placed on lifelong learning in the EU shows how it can ensure that workers are better able to adapt to restructuring, as well as improving the overall skills base of the workforce and its sustainable employability. However, learning and education must go further and focus also on:

- Increasing awareness of the health dimension among employers, unions, OSH specialists and employees' representatives, whether or not they are specialized in OSH.
- Better equipping social partners for collective bargaining on all types of changes, including health, and for addressing well being in the organization.
- Involving middle managers, who should be given the necessary tools and instruments to change the way organizational restructuring is managed.

### **Support and health promotion**

Supporting workers in the period between losing their job and finding new employment is crucial. A promising preventive approach is to prepare individuals better by giving them the prerequisites to adapt to changing labour markets through improving their employability (in the sense of interactive employability between personal and institutional characteristics) and by strengthening their coping resources to better adapt to changed job requirements. Intervention schemes to help dismissed workers should focus on rapid reentry into work as a central theme. Active Labour Market Programmes are essential to achieve this. These schemes will only be helpful if they also include attendance of comprehensive qualification schemes.

To avoid the lag effects of long-term unemployment and to maintain the health of workers, which is crucial for their chances to get back into employment, promising concepts such as developing health promotion activities throughout one's working life, or labour market integrated health promotion, should be further developed and evaluated.

## Ten main areas for action

### **1. Health and restructuring: A key issue for structural change ?**

Tackling health issues in restructuring is needed not just because restructuring can have a detrimental impact on health, but also because it represents a useful investment for the future of the European workforce and a means to defend the European model as a sustainable and competitive one. What is the right combination of legislative instruments, social dialogue, training, investments, commitments and operational tools ?

### **2. Groups at risk: Trust and justice as a critical issue ?**

Scientific and empirical evidence shows that the groups most at risk are: people who have been dismissed, survivors, temporary or part-time workers, middle managers and small businessmen threatened by bankruptcy. Justice is a major issue during profound organizational changes. To what extent is there transparent communication, cooperation and trust between employers and employees in company practices ?

### **3. Data and studies: How to improve data, awareness and monitoring ?**

Data related to health and restructuring are in short supply and are fragmented at both national and European levels. In order to better assess the actual situation and to plan future activities, the question has to be asked as to how a consistent collection and evaluation of data connected with employee health in restructuring processes can be achieved, since this appears to be very difficult in SMEs ?

### **4. Companies and managers: What responsibilities ?**

Health related to restructuring and organizational change is a shared responsibility and there are no clearly demarcated borders between the corporate responsibility for promoting health in the workplace and the responsibility of the state and other public actors to look after the health of the workforce. What is the appropriate level of managerial, professional and financial responsibilities for promoting health in the anticipation, preparation and management of change, including its impact on the value chain and on outsourcing ?

### **5. Social dialogue: Next steps ?**

Social dialogue is central to tackling restructuring and occupational health and safety, and it should be used for this purpose. What further steps could be taken by the social partners in terms of joint actions, collective bargaining on change in all of its dimensions and increasing awareness among employers, unions and employees' representatives ?

## **6. Legislation: To be reconsidered ?**

Although EU legislation does not explicitly mention the link between health and restructuring, the existence of such a cause and effect relationship is obvious by now. Is it necessary to act at EU level and review existing legislation and frameworks? Is it necessary to issue additional instructions or recommendations at EU and/or national level; to develop a new role for labour inspections by including restructuring and organizational change in their emerging approach of psychosocial risks; or to consider including forms of illhealth related to restructuring within the scope of any future EU instruments on occupational diseases ?

## **7. Restructuring in the public sector: Can approaches from the private sector be transferred ?**

Public authorities are responsible not only for policies and legislation, but also for managing public bodies and organizations. As the public sector in Europe is now undergoing major changes, what responsibilities and actions could be taken on by the public authorities at central, as well as at regional or local level in terms of organizational changes to maintain the health of their workforce ?

## **8. Role of OSH services and partnering with the health sector: Possible improvements ?**

A “healthy” restructuring might benefit from initial health measures, although it should rely more on better anticipation, preparation, management and follow up. In this regard, how can the role of OSH services in times of change be developed in terms of own training and expertise to confront the specific health dimensions related to changes and restructuring, as well as developing their role as mediators ? How can social security and health care providers support the prevention of negative health impacts due to restructuring ?

## **9. Employment, health approaches and flexicurity: Building new bridges ?**

The health consequences of restructuring demand modern employment approaches, including those based on better employability and flexicurity. Should flexicurity approaches therefore be broadened out in the direction of a better adaptation of organizations and individuals to change ? Do employment services have a role to play in managing the impact of change on employees' health ?

## **10. Operational tools, networks and education: What priorities ?**

Operational tools will be efficient only if they are in tune with other aspects of restructuring: legislation, social dialogue, commitment, training, exchange of good practices, investment and a clear role for OSH. What are the priorities in terms of developing framework operational guidelines for companies and organizations, which take the specificities of SMEs into account ? What efforts are being made to review normal risk assessment tools so as to include restructuring impacts as a matter of urgency ?

## Where can I find more information ?

Website on restructuring issues:

<http://ec.europa.eu/restructuringandjobs>

For more detailed scientific evidence, you can see the background document prepared for the Restructuring Forum organized by DG Employment and the Belgian Presidency of the EU "Investing in well-being at work - Addressing psychosocial risks in times of change" available under the conference website:

<http://ec.europa.eu/restructuringandjobs>

↳ Restructuring Forums

ANTICIPEDIA, a collaborative website dedicated to the subject of industrial restructuring.  
[www.anticipedia.eu](http://www.anticipedia.eu)

### Other links

European Foundation for the Improvement of Living and Working Conditions:

[www.eurofound.europa.eu](http://www.eurofound.europa.eu)

European Agency for Safety and Health at Work and:

[www.osha.eu](http://www.osha.eu)

Consultative Commission on Industrial Change:

[www.eesc.europa.eu/sections/ccmi/index-en.asp](http://www.eesc.europa.eu/sections/ccmi/index-en.asp)

EU –Rights at work

<http://ec.europa.eu/social/main.jsp?langId=en&catId=82>

European social dialogue

<http://ec.europa.eu/social/main.jsp?catId=329&langId=en>

ETUC Resource Centre

<http://resourcecentre.etuc.org>

European Employers' Resource Centre

<http://www.erc-online.eu>

European Commission

## **Investing in well being at work — Addressing psychosocial risks in times of change**

Luxembourg: Publications Office of the European Union

2010 —24 pp. — 14,8 × 21 cm

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As part of the EU's employment and social solidarity programme, PROGRESS, this publication "Investing in well-being at work" looks at the psychosocial risks in time of change. There is a growing body of evidence of the potential negative effects that restructuring has on the health of workers and their families. Uncertainty and job insecurity also represent an important link between restructuring programmes and effects on employees' health (depression, absenteeism, difficulty sleeping...). This leaflet highlights some of the central issues associated with organizational change, restructuring, health and well-being, and explains what can be done to prepare organizations and people more effectively for major changes.

This publication is available in printed format in English, French and German.

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