Workload, stress and ill health of older workers in times of organisational restructuring

Birgit Köper, Janine Dorschu, Greg Thomson, Götz Richter
• Restructuring and its impacts
• Case study ELDERS
• Secondary data analysis of representative survey
• conclusions
Example for categorisation of restructuring

Types of restructuring:
- Relocation
- Offshoring
- Outsourcing
- Insolvency/Closure
- Mergers and acquisitions
- Internal restructuring

Perspective: „Impacts on employees“

Quelle: Kieselbach et al, (2009)
Perspective Organisation

Type of crisis

Strategic crisis

Structural crisis

Performance crisis

Liquidity / insolvency

Active / strategically aligned

Reactive / crisis induced

Management of crisis

- products
- Production structures
- Concentration on core business
- New orientation of organisation

- Improvement of liquidity
- Profitability
  (majorly by cost reduction)

Source: modified from Klein, 2008 / Horvath, 2011
Measures / Objectives / Preconditions for Success

In which areas are continuous restructuring measures relevant?

- Cost Reduction / Increase in Efficiency: 87%
- Cost Flexibility: 72%
- Strategy / Adjustment of the Business Model: 55%
- Risk Management: 42%

Top Success Factors of Restructuring

- Management Commitment: 74%
- Holistic Concept: 50%
- Communication: Goals / Progress: 28%
- Fast Implementation: 51%

Quelle: Roland Berger, Restructuring Study 2011
Impacts on motivation and health

**motivation:**
- engagement
- Intention to give notice
- Identification with tasks
- Job satisfaction
- Perceived trustworthiness of organisation

**health:**
- insomnia
- stress
- Cardiovascular diseases / associated mortality
- Use of drugs / alcohol / nicotine
- Musculoskeletal disorders
- Twice as much disability pensions

Quelle: Kieselbach et al., 2009; Rigotti & Otto, 2012
BIBB / BAuA: Changes

- Have new manufacturing processes or technologies been introduced?
  - WITH restructuring: 49.5%
  - WITHOUT restructuring: 26.8%

- Have new computer programs (no new program versions) been introduced?
  - WITH restructuring: 62.7%
  - WITHOUT restructuring: 38.1%

- Were new machines or systems been introduced?
  - WITH restructuring: 48.8%
  - WITHOUT restructuring: 36.7%

- Have new or significantly modified products / materials been introduced?
  - WITH restructuring: 46.0%
  - WITHOUT restructuring: 34.6%

- Have new or significantly changed services been developed?
  - WITH restructuring: 46.0%
  - WITHOUT restructuring: 34.6%

- Were there any job cuts or layoffs in your working environment?
  - WITH restructuring: 65.0%
  - WITHOUT restructuring: 31.1%

- Were freelancers, temporary workers, interns, temporary workers increasingly used?
  - WITH restructuring: 46.2%
  - WITHOUT restructuring: 34.0%

- Did you get a new line manager?
  - WITH restructuring: 38.0%
  - WITHOUT restructuring: 34.0%

- Have stress and work pressure increased?
  - WITH restructuring: 60.8%
  - WITHOUT restructuring: 39.5%

- Has the variety of tasks increased?
  - WITH restructuring: 68.2%
  - WITHOUT restructuring: 48.8%

- Have the technical demands of your work increased?
  - WITH restructuring: 63.3%
  - WITHOUT restructuring: 42.4%

Quelle: BIBB / BAuA, 2006
BIBB / BAuA: accumulated changes

3 or more changes:
- 2.6-times increased risk of stress and work pressure
- 2.7-times increased risk of task multiplicity
- 2.8-times increased risk of rise in demands

5 or more changes:
- 3.4-times increased risk of stress and work pressure
- 3.4-times increased risk of task multiplicity
- 3.7-times increased risk of rise in demands

### Health Impairments

<table>
<thead>
<tr>
<th>Impairment</th>
<th>Restructuring</th>
<th>No Restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backache</td>
<td>45.2</td>
<td>41.8</td>
</tr>
<tr>
<td>Headache</td>
<td>34.4</td>
<td>26.8</td>
</tr>
<tr>
<td>Heart problems</td>
<td>6.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Skin irritation</td>
<td>10.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Insomnia</td>
<td>24.1</td>
<td>16.3</td>
</tr>
<tr>
<td>Exhaustion</td>
<td>49.0</td>
<td>38.7</td>
</tr>
<tr>
<td>Nervousness / irritability</td>
<td>34.0</td>
<td>22.8</td>
</tr>
<tr>
<td>Abjection</td>
<td>22.0</td>
<td>15.3</td>
</tr>
<tr>
<td>Burnout</td>
<td>9.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Depression</td>
<td>5.4</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Quelle: Beermann 2010
Case study „Elderly Employees in restructuring (ELDERS)“

**Hypothesis:** Older employees are more affected by restructuring in terms of stress and ill health

**Conduction of study:** 09 /2010, German savings bank

**Method:** questionnaires

**Sample:**
- 237 / 117 respondents = 49% (37 male / 80 female)
- 72 younger (28 to 49 years), 45 older (50 to 57 years)
# Older workers - Vulnerable workers?

Categorisation for vulnerability (HSE CONIAC, 2009)

<table>
<thead>
<tr>
<th>Risk of being denied employment rights</th>
<th>Capacity or means to protect themselves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Protected by normal employment relations</td>
</tr>
<tr>
<td>High</td>
<td>Protected by their own efforts</td>
</tr>
<tr>
<td>Low</td>
<td>Protected by others</td>
</tr>
<tr>
<td>Vulnerable</td>
<td></td>
</tr>
</tbody>
</table>
### ELDERS results: assessment of impacts

<table>
<thead>
<tr>
<th>Consequences the changes have for (in %)</th>
<th>Workers</th>
<th>Decreased</th>
<th>Unchanged</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>younger</td>
<td>33.8</td>
<td>46.5</td>
<td>19.7</td>
</tr>
<tr>
<td></td>
<td>older</td>
<td>32.6</td>
<td>44.2</td>
<td>23.3</td>
</tr>
<tr>
<td>application of experience and skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>position in the company’s hierarchy</td>
<td>younger</td>
<td>27.1</td>
<td>67.1</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>older</td>
<td>27.3</td>
<td>68.2</td>
<td>4.5</td>
</tr>
<tr>
<td>overall level of responsibility</td>
<td>younger</td>
<td>26.8</td>
<td>46.5</td>
<td>26.8</td>
</tr>
<tr>
<td></td>
<td>older</td>
<td>27.3</td>
<td>47.7</td>
<td>25.0</td>
</tr>
<tr>
<td>monthly income</td>
<td>younger</td>
<td>15.5</td>
<td>80.3</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>older</td>
<td>9.1</td>
<td>86.4</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: Köper, Dorsch, Thomson, Richter, in press
ELDERS results: exhaustion / fatigue

Source: Köper, Dorsch, Thomson, Richter, in press
ELDERS results: stress

Source: Köper, Dorsch, Thomson, Richter, in press

- Increase in stress

- Younger workers vs. older workers

Source: Köper, Dorsch, Thomson, Richter, in press
ELDERS results: job insecurity

Finding an equivalent job is ...

Source: Köper, Dorschu, Thomson, Richter, in press
Secondary data analysis of BIBB/ BAuA

**Hypothesis:** Older employees are more affected by restructuring in terms of stress and ill health

**Conduction of study:** 10/11-03/12, representative sample of German employees

**Method:** telephone interviews

**Sample:**

N = 20,036 (20-34: 5,113 / 35-45: 8,309 / 50-65: 6029)
BIBB / BAuA results: exhaustion / fatigue

Source: Köper, Dorschu, Thomson, Richter, in press
BiBB/BAuA results: Stress

Increase in stress

Source: Köper, Dorsch, Thomson, Richter, in press
HIRES recommendations

ANTICIPATION & STRATEGIC ALIGNMENT
What effective organisations do before there is any restructuring:
- Training on the management of change including health effects.
- Employees offered development beyond vocational training.
- Strategic approach to Occupational Health including preventative approach and the importance of stress.

TRIGGER EVENT FOR RESTRUCTURING

PLANNING

ANNOUNCEMENT THAT THERE WILL BE RESTRUCTURING
Vital that employees hear about this from their employer.

RISK ASSESSMENT
An EU legal requirement and crucial step in planning change.

Communication Plan

SELECTION

COMPENSATION

SURVIVORS

REDEPLOYMENT

OUTPLACEMENT

SUPPORT

RECOGNITION OF WORK INTENSIFICATION

Events
HIRES Recommendations

Source: Thomson, 2011
Conclusions

- Hypothesis could not be confirmed
- High variance of performance in the group of older employees (depending on educational level and continuous training measures)
- Important aspect: job insecurity / employability
- Specifics of restructuring measures are to be considered
- General recommendations available
- More concrete concepts and training of key stakeholders necessary
Thanks for your attention!

Contact:

Dr. Birgit Köper
- Senior Scientist -
BAuA
koeper.birgit@baua.bund.de