

Healthy through restructuring: Leadership behaviour is important

30 baua: Facts

Restructuring and ongoing changes are an everyday reality in many companies, for example when parts of the company are relocated or outsourced. Employees also notice such changes in their concrete work situation: Restructuring can make their work more intensive, especially when the same or even more and harder work has to be done with fewer staff. This may have negative effects on employees' health. Managers play an important role in restructuring processes and may mitigate negative health effects by helping and supporting employees.

Restructuring – change processes with many faces

The term restructuring encompasses change processes that affect all levels of the organization, including such diverse phenomena as

- relocations,
- migration abroad,
- outsourcing,
- bankruptcies,
- mergers,
- internal reorganisation (e.g. introduction of new production/process technologies or the increased use of freelancers or temporary agency workers), and
- business expansions.

In the representative BIBB/BAuA Employment Survey 2018, 17,852 employees were asked, among other things, about restructuring measures in their company. The survey included the following question: „In the last two years or since you started your current job, have there been significant restructuring or reorganisation affecting your immediate working environment?“ This fact sheet takes a closer look at the topic of restructuring, its links to occupational health and safety, and the role of managers in change processes.

Restructuring is particularly common in the manufacturing sector

Overall, 40 % of employees report having experienced significant restructuring or reorganisation in their immediate work environment in the last two years. Restructuring and reorganisation is most frequent in the manufacturing sector (47 %), closely followed by the „public and private services“ sector (43 %; see Figure 1). Significant restructuring or reorganisation of employees occurs least often in the construction sector (21 %). Furthermore, employees at larger companies are significantly more likely to report restructuring than those at smaller companies.

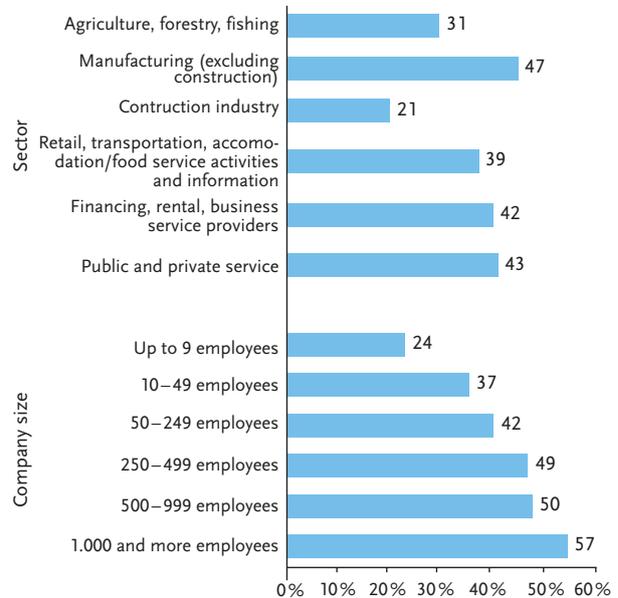


Fig. 1: Frequency of restructuring in the last two years by company size and economic sector

Constant changes mean more stress and health problems

Employees who experienced restructuring in the last two years more often report an increased workload than respondents without this experience. This applies in particular to mental stress, such as pressure to meet deadlines or perform, confrontation with new tasks, disturbances and interruptions, multitasking, or working at the limits of one's capacity.¹ Furthermore, employees who experienced major changes report more frequent health complaints and lower job satisfaction (see Fig. 2). They are, for example, more likely to report general fatigue, tiredness, or exhaustion than employees without restructuring experiences.

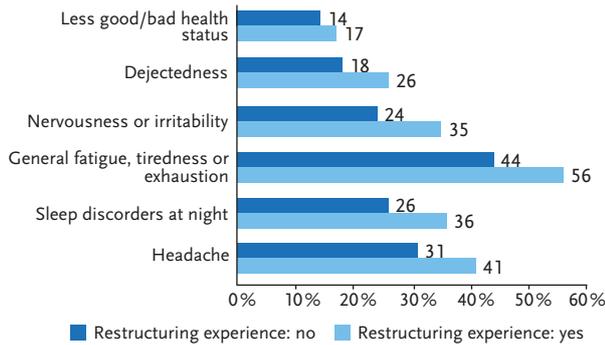


Fig. 2: Employees' health and satisfaction after restructuring experiences in the last two years

Leaders as a decisive resource in change processes

Leaders play a central role in restructuring processes: they help shape the working conditions of employees. This function is particularly critical in times of change. In addition, leaders are responsible for mediating between management and employees, preparing employees for upcoming changes, and accompanying them.²

Using the example of psychosomatic complaints and job satisfaction, Figure 3 shows that leaders are an important success factor in change processes. Among employees with restructuring experience, those who often receive help or support, as well as praise and recognition, from their direct supervisors less often report multiple psychosomatic complaints and job dissatisfaction. More indepth analyses confirm this finding.

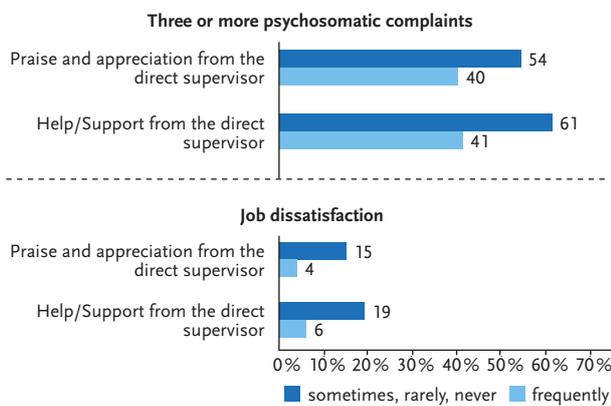


Fig. 3: Health and satisfaction among employees with restructuring experiences by degree of supervisor support

Conclusion

The data from the BIBB/BAuA Employment Survey 2018 show that restructuring processes in enterprises are also accompanied by changes in the working situation of employees, such as increased work intensity. Employees who experienced restructuring are also more likely to report health complaints associated with high psychological demands than those in the comparison group. Leaders may serve as an important resource in change processes if they support employees in these processes.

Given the central role of leaders in change processes, they should be trained to live up to their responsibility for health-oriented process design in company restructuring. The Federal Institute for Occupational Safety and Health (BAuA) has developed a two-day training course.² In that course, leaders learn to identify problems and potential conflicts that are relevant to employees' well-being and health in change processes. Additionally, the training provides knowledge on how to communicate appropriately in restructuring processes and how to create the necessary transparency for employees. It also explains how to avoid negative emotions, which can quickly arise among both leaders and employees during change processes.

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For further information

- 1 BAuA, 2018. Restructuring companies – „risks and adverse effects“. BIBB/BAuA-Factsheet 08. Dortmund: BAuA. Available at: www.baua.de/dok/8708466
- 2 B. Thomson, J. Rank, S. Gerstenberg, N. Ulland, 2018. Qualifizierungstools für Führungskräfte und Betriebsräte bei betrieblichen Restrukturierungen. Dortmund: BAuA. DOI: 10.21934/baua:report20180927