

Restructuring – A European perspective on the political implications of the developing understanding of the effect of restructuring on the health of workers with specific reference to Germany and the UK

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Change is necessary

- Work Organisations exist in a dynamic environment
- They must change to avoid atrophy and failure
- Change can not be avoided but managed more diligently in terms of social responsibility

EU focused on this need for change

Lisbon 2020 growth strategy

The European Commission aims to encourage permanent business adaptation to fast-changing economic circumstances while pursuing a high level of employment and social protection

Global competitiveness



Change is rarely linear

Point A

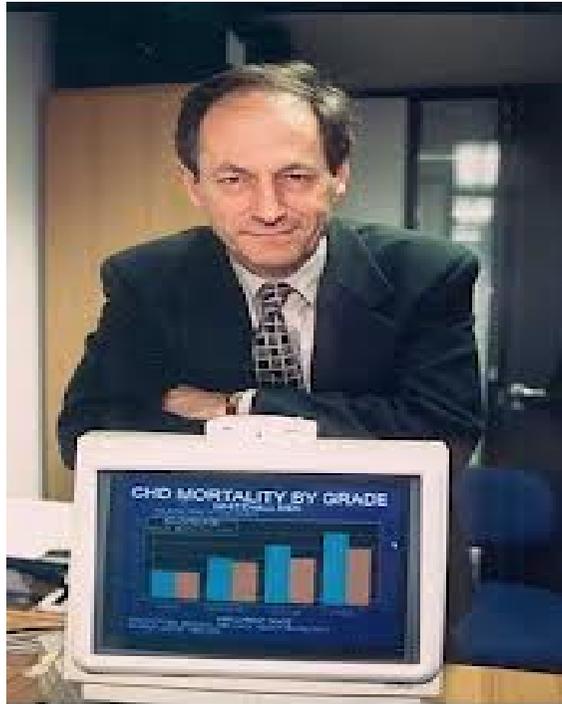
Point B



Change

Whitehall Study – Marchmont

Finnish ten town study – Vahtera et al.



Michael Marmot with a biograph from the Whitehall Study.

Drastic downsizing doubles death rate among colleagues still in work

Worrying news for policy makers, employers, and occupational health professionals: downsizing at work can double the risk of cardiovascular death among remaining staff, a large prospective cohort study has suggested.

The Finnish study found a significant trend between the extent of downsizing in local government staff during an important national recession in 1991–6 and deaths from all causes in those still employed. Major downsizing—loss of more than 18% of the workforce—doubled the risk of cardiovascular death over no downsizing and increased it fivefold in the first four years after downsizing occurred. Sex and behavioural risk factors—smoking or drinking alcohol—potential confounders generally associated with lower socioeconomic state, did not affect the risk.

EU supported research

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Health in Restructuring (HIRES)

Recommendations, National Responses and Policy Issues in the EU

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Health in Restructuring

Innovative Approaches and Policy Recommendations

Edited by Thomas Kieselbach and Claude Emmanuel Triomphe

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Coping with Occupational Transitions

An Empirical Study with Employees Facing Job Loss in Five European Countries

PSYCHOLOGIE SOZIALER UNGLEICHHEIT

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EU Green Paper

The Green Paper (European Commission, 2012) acknowledges at page 17:

'It has been shown that, through its human and psychological consequences, poorly managed restructuring can have a significant negative longterm impact on the human resources of companies, thereby weakening this key resource for competitiveness'.

And poses the question:

'What can companies and employees do to minimise the employment and social impact of restructuring operations? What role can public policies play in facilitating these changes?'

HIRES: Basic principles

Trust is key!

Communication

Information vacuum
Rumour and speculation

Fairness

Not micro-politics

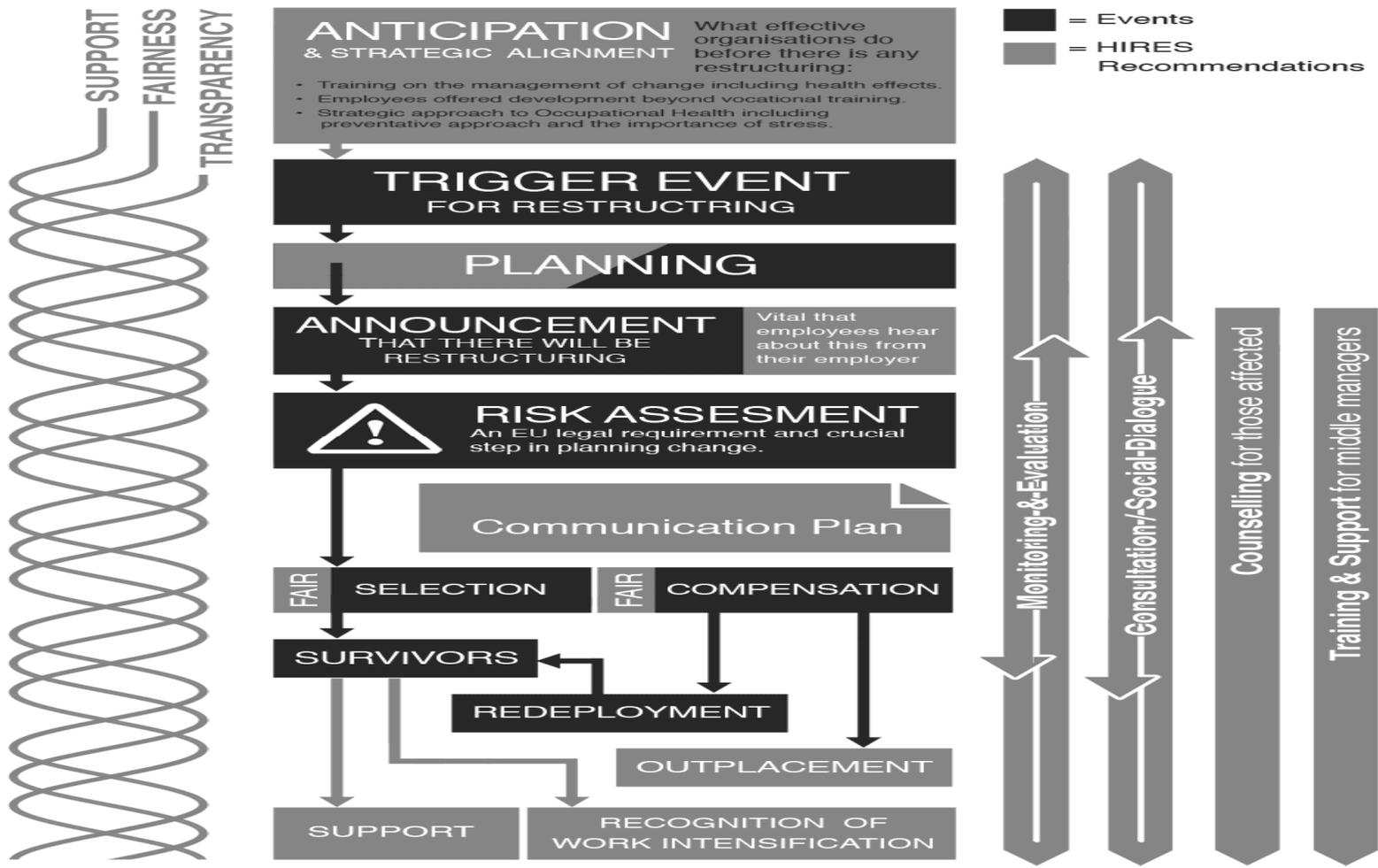
Does the organisation **support** both winners and losers?

Winners often neglected – work intensification

Survivor syndrome

Position of middle management

HIRES recommendations



Source: Thomson, 2011

Different European systems

Bruggeman (2008, p. 5&6) warns;

“...one key result of well-established research on this topic is the persistence of different adjustment regimes inside Europe. The challenge goes beyond identifying contexts and performances of the considered arrangements: it stresses that there may be no one best way.”

German compared to UK system

‘coordinated market economy’

vs.

‘liberal market economy’

(Stephens, 2005; Navarro, 2004)

UK system

The UK system has grown up ad hoc, based on voluntarism with an overlay of European regulation relevant to restructuring in the form of the Acquired Rights Directive, the Consultation Directive and Works Councils Directive (European Commission, 2001; 2002; 2009) **Council Directive 2001/23/EC**

Council Directive 2002/14/EC

German system

- More regulated with clearly defined roles for various actors
- The principal avenue for consultation is through the works councils
- The interface between trade unions and works councils can be difficult
- Codetermination means that there is far more active involvement from a trade union nominee in the early stages of decision making around restructuring in larger German firms

Health costs

German system creates a more direct link

UK system with NHS more diffuse

Health in restructuring is widely ignored

“However, attitudes do not change quickly...throughout Europe it must be acknowledged that health related to restructuring cannot be found on the agendas of trade unions, employers or public administrations. Health and occupational risk prevention is still associated with high business costs.”

How can change be brought about

Liberalisation of the labour market seems has increasing purchase in Europe

Regulation seems unlikely even if desirable

European Parliament

Resolution – but even if passed goes to the
commission

Why does this matter?

This is about competitiveness

About 70% of restructuring measures fail, often since they overlook the negative social impacts on the employees and associated transition costs (Balogun & Hailey, 2004)

Thanks for your attention!

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