



The Effects of Organisational Downsizing on Surviving-Employees' Mental Health

Introduction

Organisational restructuring describes a wide range of activities that lead to the reorganization of a company and that involve significant organisational changes that affect at least a whole organisational sector or an entire company(1). These practices are permanent in the economies of the different countries and in Spain increased substantially as of 2008 with significant downsizing, in order to contain costs, as an effort to save a company.

However, the specialized literature points out that these processes often do not produce the desired effects, increasing benefits, and they cause an impact on working conditions and a worsening of psychosocial factors that put the health of the surviving workers at risk(2) -survivors of layoffs-, that is, the workers who survived the change and remained in the Company.

This work summarizes the results of the PREISAP-project, in which the effects of restructuring on survivors employees' work-related and mental health were investigated in two Spanish companies, in the period 2007-2014.

Participants & Recruitment

Two Spanish companies with different types of restructuring/downsizing processes (Table 1):

- Company A: Outsourcing and Downsizing (41.6% organisations downsize). Manufacture of metal structures.
- Company B: Merging (Acquisitions) and Downsizing (42.5% organisations downsize). Cement and concrete manufacturing.

The study population consisted of 444 employees, from two Spanish companies, who experienced restructuring (2009-2014) and remained in the company, to which an identifier was assigned to maintain the confidentiality of the data (Table 2).

Downsizing⁽³⁾ describes the management practices aimed at staff reduction that are deliberately undertaken and is focused on improving the efficiency or effectiveness of the organization.

Table 1.- Characteristics of the participating companies in the PREISAP study

Company	Activity sector	Employees 2007	Employees 2014	Medical check-ups 2014	Restructuring characteristics
Company A	Manufacture of metal structures	531	310 (58,4%)	284 (91,6%)	Outsourcing Downsizing
Company B	Cement and concrete manufacturing	383	220 (57,4%)	160 (72,7%)	Merging Acquisitions Downsizing
TOTAL PREISAP project		914	530 (57,9%)	444 (83,8%)	

Table 2.- Sample distribution according to different sociodemographic variables

Variable		Company A		Company B		Total	
		n	%	n	%	n	%
Gender	Women	35	12,3	26	16,3	61	13,7
	Men	249	87,7	134	83,8	382	86,2
Age group 4	≤30	30	10,6	13	8,1	43	9,7
	31-40	124	43,7	72	45,0	196	44,1
	41-50	79	27,8	56	35,0	135	30,4
	≥51	51	18,0	19	11,9	70	15,8
Age group 2	≤45	194	68,3	112	70,0	306	68,9
	≥46	90	31,7	48	30,0	138	31,1
Type of job	Blue collar or manual	159	56,0	68	42,5	227	51,1
	White collar or not manual	125	44,0	92	57,5	217	48,9



Procesos de Reestructuración
Empresarial y su Impacto en la Salud
Psicofísica en una población laboral:
Estudio PREISAP

Conclusion

Restructuring has a negative impact on psychosocial factors. It is important to pay attention to mediating factors on the relationships between restructuring and surviving employees' wellbeing.

Study of type of restructuring showed that these factors impact on well-being depend on the organisational changes and reorganizations, with worse health indicators (stress and mental health) after merging processes (acquisition) than outsourcing.

It is important to take into account certain personal characteristics: the impact of restructuring on stress and mental health is especially present among older employees (> 45 years) and women.

Impact of restructuring on well-being indicators considered is in line with earlier research, suggesting the need to act at a preventive level to promote healthy change processes.

Impact of economic downturn must also be evaluated in terms of health.

References

- 1- Kieselbach, T, Triomphe CE, Armgarth E, et al (2010). Health in Restructuring: Innovative Approaches And Policy Recommendations (HIRES). 2010. Recommendations, National Responses and Policy Issues in the EU, 2 ed., Rainer Hampp Verlag.
- 2- Vahtera J, Kivimäki M, Forma P, Wikström, J, Halmeenmäki T, Linna A, Pentti J. (2005). Organizational downsizing as a predictor of disability pension: the 10-Town prospective cohort study', Journal of Epidemiology and Community Health. 2005. 59:238-42.
- 3- Freeman SJ, y Cameron KS. Organizational downsizing: A convergence and reorientation framework. Organization Science.1993; 4(1):10-29.
- 4- Soriano G et al. Guía de recomendaciones para la vigilancia específica de la salud de trabajadores expuestos a factores de riesgo psicosocial: protocolo PSICOVS2012. depósito legal –m-804-2014



Award-winning work at X CEMET (Madrid, Spain)
Award: Best Oral Communication, open section, to specialists in nursing and occupational medicine.



For more information on our research program or for this poster:
http://scielo.isciii.es/scielo.php?script=sci_abstract&pid=S1132-62552017000300161

Method

Data collected from the medical examinations of 444 survivors are analyzed using the PSICOVS2012⁽⁴⁾ protocol.

Psychosocial risk index (IFRP-Q10) was evaluated and the presence of traumatic events was considered. *Well-being*: level of Mental Health (GHQ12), Perceived Health (SF36), Stress Level (FOIH), General Discomfort Index (IGM) and Paranoid Suspicion (IFC) were considered.

The association between the personal/work characteristics and the type of restructuring with the welfare index is studied, indicating the p-values of each test, using Pearson's Correlation Coefficient, Student's t and Anova. Odd Ratio (95% CI) with and relevant statistical meaning p<0,05 was calculated for the multivariable analysis.

Data were analyzed using the Statistical Package for the Social Sciences (SPSS 19.0.)

Key findings

The results show:

Altered values of psychosocial factors according to the type of restructuring
A worsening of general health and mental health, higher levels of stress and IGM; with significant differences according to gender and occupation.

The 76.7% employees perceived their own job position as having worsened, with a global assessment of the set of dimensions of the IFRP-Q10 altered (Table 3). They refer to an altered current state of health compared to that of a year ago (OR = 2.42, 95% CI = 1.01-5.73), 63.3% of the above-mentioned workers have altered the current level of health perceived (OR = 2.87, 95% CI = 1.13-9.45) and 60.0% would have altered the IGM (OR = 3.24, 95% CI = 1.52-6.92).

The 40.4% have the IGM altered, 23.1% the stress level and 22% the mental health index, compared to 24.3%, 10% and 9%, respectively, of workers in the group who do not perceived deterioration.

The analyses revealed a significant effect of type of restructuring (Table 4) on the degree of Stress, IGM, Depression and Anxiety.

1- Company B - The surviving employees had worse well-being indicators: had higher work-related stress (40%) and altered IGM (41.9%), anxiety (10%) and depression (12.5%).

2- Company A - The 3,9% survivors employees had higher work-related stress, a 28,9% and altered IGM, Anxiety (3,5%) and depression (5,6%).

Organisational restructuring processes with a significant downsizing have a negative impact on working conditions -organisational and job characteristics-, affecting the psychosocial environment to which the surviving workers are exposed. This fact has deteriorated their perception on the workload and work pace, participation, interpersonal relationships at work and career development, and homework interface.

Among the mediating factors linking change in working conditions and well-being after downsizing were: job content (37,4%), organisational culture (21,2%) y home-work interface (19,4%).

Variables mediators and moderators (Table 5)

Personal factors, gender and age, are moderating variables in the relationship between restructuring and mental health.

Significant differences (<0,05) by gender: 29,5% of women's level of stress is altered compared to 15.5% of men. There were differences but not significant in terms of age.

White-collar respondents had higher work-related stress and IGM than Blue collar.

Table 3.- Psychosocial risk factors analysed

Risk Factors		Normal		Altered	
		n	%	n	%
IFRP-Q10	IFRP-Q10 (altered ≥12 points)	189	42,6	255	57,4
	Some altered dimension of the IFRP-Q10 questionnaire (≥3 points)	105	23,6	339	76,4
	Job content	278	62,6	166	37,4
	Workload and work pace	369	83,1	75	16,9
	Participation	376	84,7	68	15,3
	Culture	350	78,8	94	21,2
	Personal relationships	425	95,7	19	4,3
	Work and career development	425	95,7	19	4,3
	Home-work interface	358	80,6	86	19,4
	Overall assessment all factors	414	93,2	30	6,8
Non-labour traumatic events	last 12 months	390	87,8	54	12,2
Labour traumatic events	last 12 months	433	97,5	11	2,5

Table 4.- Company and type of restructuring and its impact on mental health. Statistically significant differences (p<0,05)

Variable		Normal n (%)	Altered n (%)	OR(CI95%)	p
Mental health indicators assessed					
		GHQ12-Anxiety			
COMPANY	Company A	274 (96,5%)	10(3,5%)	3,04 (1,35-6,88)	<0,005
	Company B	144 (90,0%)	16(10,0%)		
		GHQ12-Depression			
COMPANY	Company A	268 (94,4%)	16 (5,6%)	2,39 (1,20-4,76)	<0,01
	Company B	140 (87,5%)	20 (12,55%)		
		Stress-FOIH			
COMPANY	Company A	273 (96,1%)	11(3,9%)	16,98 (8,60-33,53)	<0,001
	Company B	95 (59,5%)	65(40,6%)		
		IGM			
COMPANY	Company A	202 (71,1%)	82(28,9%)	1,77 (1,83-2,66)	<0,005
	Company B	93(58,1%)	67(41,9%)		

Table 5.- Gender and type of job and its impact on study variables evaluated. Significant differences (<0,05)

evaluated. Significant differences (<0,05)					
Variable		Normal n (%)	Altered n (%)	OR (CI 95%)	p
Well-being indicators					
GHQ12->3ptos					
Gender	Men	325 (85,9%)	58 (15,2%)	1,68 (1,32-2,56)	<0,05
	Women	44 (72,1%)	17 (27,9%)		
Stress-FOIH					
Gender	Men	325 (85,9%)	58 (15,2%)	1,68 (1,32-2,56)	<0,05
	Women	44 (72,1%)	17 (27,9%)		
Stress - FOIH					
Type of job	Blue collar	197 (86,8%)	30 (132,2%)	1,60 (1,05-2,44)	<0,03
	White collar	171(78,8%)	46 (21,2%)		
IGM					
Type of job	Blue collar	202 (71,1%)	82(28,9%)	1,77 (1,83-2,66)	<0,001
	White collar	93(58,1%)	67(41,9%)		