



Contents lists available at ScienceDirect

Safety Science

journal homepage: [www.elsevier.com/locate/ssci](http://www.elsevier.com/locate/ssci)

# Managing preventive occupational health and safety activities in Danish enterprises during a period of financial crisis

Hans H.K. Sønderstrup-Andersen<sup>a,\*</sup>, Elsa Bach<sup>b</sup>

<sup>a</sup> Roskilde University, Psychology, Universitetsvej 1, DK-4000 Roskilde, Denmark

<sup>b</sup> The National Research Centre for the Working Environment, Lersø Parkallé 105, DK-2100 Copenhagen Ø, Denmark

## ARTICLE INFO

### Article history:

Received 14 April 2016

Received in revised form 20 December 2016

Accepted 23 March 2017

Available online xxx

### Keywords:

Psychosocial working environment

Work accidents

Occupational health and safety

Preventive actions

Survey

Pro-cyclical

Countercyclical

Economic recession

Financial crisis effects

## ABSTRACT

The onset of the financial crisis in 2008 has put pressure on enterprises that in turn have downsized and reorganized. Research has shown that economic recession has an effect on psychological and behavioral health that is attributed to working environment problems. The objective of this study is to unravel whether the onset of a general economic recession has had an impact on companies' and public institutions' preventive occupational health and safety activities. Hypotheses of the role of pro-cyclical and countercyclical effects are presented. This study is based on a survey of enterprise preventive occupational health safety activities. The baseline for the survey was established, in 2006 before the onset of the recession, with a follow up in 2011. Findings are discussed that support both the pro-cyclical and the countercyclical hypotheses. It is concluded that there is a need for a special focus on the management of preventive workplace health and safety activities in enterprises during a period of economic recession.

© 2017 Elsevier Ltd. All rights reserved.

## 1. Introduction

Most economies in the world have suffered from the worst financial crisis since World War II. The reasons for the onset of the crisis has been much debated, but the International Monetary Fund in their World Economic Outlook (April 2009) state that the outbreak of the U.S. subprime crisis in August 2007 led to mild economic recessions in mid-2008. However, the Fund state that the fall of the U.S. investment bank Lehman Brothers, the deep financial problems of and the intervention into the leading U.S. insurance company American International Group, and a range of other major financial institutions in US and Europe lead to the historic onset of a full-blown financial crisis in the fourth quarter of 2008. As such, the developed countries witnessed deep recessions with a 7½ percent drop in the economies. Apart from the financial problems in the western part of Europe, trade also suffered severely and in various countries. Housing correction was a factor. In Denmark, the Committee on Financial Crisis concluded in 2013 that the financial crisis began in summer 2008 with a collapse of one the major banks. In the following years, Denmark suffered

from a general financial crisis in the banking sector. This crisis was heavily influenced by the international financial crisis. The crisis was combined with severe real estate market problems due to a housing price bubble. A preceding generally good economy, low interest rates, and innovative lending forms caused this price bubble (Rangvid, 2013).

The recession has put substantial pressure on companies that in turn have downsized and reorganized business functions. The International Labour Office (ILO, 2009) has documented the effect of downscaling. Here ILO ascertained that descaling has led to more part-time and temporary work, outsourcing, and subcontracting including business functions like the management of occupational health and safety activities. In the same vein, ILO have later stressed that there is evidence that the recession has had a negative impact on a series of occupational mental health and risk factors. ILO further states that there is a need for a more profound understanding of the impact of recession on the management of the occupational health and safety activities (ILO, Machida, 2013).

Accordingly, with respect to the impact of the economic recession on the working environment, the result of the Europe-wide survey carried out by the European Agency for Safety and Health shows that nearly two-thirds of the respondents claim that the recession could adversely have a great (21%) or some (40%) effect on occupational health and safety. However, the Danish

\* Corresponding author.

E-mail addresses: [hsan@ruc.dk](mailto:hsan@ruc.dk) (H.H.K. Sønderstrup-Andersen), [eba@nrcwe.dk](mailto:eba@nrcwe.dk) (E. Bach).

respondents showed a less negative attitude with approximately 45% answering that occupational health and safety would greatly (7%) or to some extent (38%) be affected by the economic recession.

Other studies have shown that employees in general are exposed to higher mental and physical workload and fatigue due to a lack of financial resources. Westgaard and Winkel (2011) have carried out a systematic review of production system rationalization in terms of general restructuring (n = 67 studies) and downsizing (n = 34 studies) measures and their association to health and risk factors in the area of musculoskeletal and mental health. The review showed that 76% of the studies point to negative downsizing health effects. Only 6% of the studies included showed a positive effect of downsizing, while 11% showed mixed result. Moreover, the review revealed that in terms of general organizational restructuring measures with downsizing excluded, 16% showed a positive effect and 16% showed mixed results while an overwhelming 67% of the studies pointed to negative health outcomes.

In a 2008 survey approximately half of the human resources and people development professionals included in the survey reported that individual staff workload increased because of the economic recession. In addition, a similar proportion of the respondents said that employee stress levels have increased (Wisdom et al., 2008). On the other hand, statistics that are more positive indicate that in the US and the UK there has been a decline of fatal work-induced accidents in the period just prior to 2008 compared to period just after (ILO, 2013).

In response to these findings ILO, claim that the decline could be due to the reductions in economic activities in for example the construction sector. In addition, results from a survey carried out by the International Social Security Association (ISSA) in 2009 among the contributing organisations in its member's states show mixed results with respect to the consequence of economic recession on occupational health (ISSA, 2010). One of the key findings in the survey was that health costs are rising as an added effect to the financial crisis. However, the survey also showed that different countries' different social security systems seem to play an important role in "buffering" elements of the crisis. In this way, social security systems strengthen social cohesion, socio-economic stability, and public confidence.

On the other hand, ISSA also points out that the recession can lead to less spending on occupational pro-active measures by employers. At the same time, employees may be more reluctant to claim safe and healthy working conditions. As such, the ISSA survey showed that during the crisis some countries (Argentina, Brazil, Cameroon, Poland, and Spain) experienced fewer investments in preventive occupational health and safety management systems, while other countries have not. However, the ISSA survey is a snap check of the situation in early 2009 before the full-scale intensification of the economic recession.

Not much research has focused on psychosocial working environment factors and national or international economy. This has been documented by a systematic analysis of the content of two influential journals within the area of occupational health psychology. Here it was found that only a very limited number of the research papers paid attention to the impact of economic factors on occupational factors at the work place (Kang et al., 2008).

Nonetheless, in a UK work force survey initiated during times of economic recession it was found that a significant part of the workers share the opinion that economic conditions have an influence on working environment factors like for example relationship to colleagues or working longer and harder (Mind/Populus Workplace Health and Stress Survey, 2010). Moreover, in the Stormont study it was found that several psychosocial factors are negatively correlated with the onset of economic recession (Houdmont et al., 2012). One of the conclusions brought forth in

the study is that there is a need for more focus on the management of preventive safety activities in enterprises during a period of economic recession.

From a theoretical point of view models explain that a number of working environment psychosocial factors are negatively related to economic stress in two ways. First, workers may be affected *directly*, depending on their ability to cope with economic stress. Second, workers may be affected *indirectly* by enterprise organizational changes with respect to managing occupational preventive safety activities. In addition, Houdmont et al. (2012) show that much research within occupational health and safety area has focused on work context. Houdmont and colleagues argument is that this focus may be due to certain hegemonic research paradigms that favour theoretical models of occupational stress that builds upon contextual features of work.

The job demand-control model has for example been very influential (Karasek, 1979; Karasek and Theorell, 1990; for a critical approach see, for example, Kristensen, 1995). The model has later been refined to incorporate social support (Johnson and Hall, 1988). van der Doef and Maes (1999) have carried out a systematic review of twenty years of studies applying the model and its refined version. They found that employees exposed to high job demand, low control, and low social support have the highest risk of experiencing the most negative psychological well-being.

However, as pointed out by Kristensen (1995) the model may carry theoretical and methodological problems with it. Moreover, there is a growing body of research that recognizes that occupational mental health and safety depends on local work context in a combination of external global factors like international economy (Kang et al., 2008). Wallis and Dollard (2008) have stressed that the job demand-control model needs further refinement to incorporate job external factors. These could be national globalization or free market forces including economic factors on a national or international level. It could be argued that the same issues apply when it comes to the companies' and public institutions' management of occupational health and safety activities.

Research has shown that economic recession has an effect on psychological and behavioral health that is attributed to working environment problems (Catalano, 1979; Boone and van Ours, 2006; Goldman-Mellor et al., 2010). On the one hand, research suggests that one of the mechanisms involved has a "countercyclical" effect. This means that a financial crisis can lead to an increase in occupational health and safety problems induced by, for example, stress caused by expectation of job loss. On the other hand, it is suggested that recession can have "pro-cyclical" effect. This means that the decline in economy results in a decrease of occupational health and safety problems. Boone and van Ours (2006) point out that pro-cyclicity is at stake where workplace accident rates seem to decrease during recessions, which again means that occupational health and safety seems to increase during financial crises. Ruhm (2000) found strong evidence that occupational health increases in cases of economic decline. In addition, pro-cyclical research points out that employees' capability to manage occupational health safety increases when job demands in terms of time and quantity decrease (Catalano et al., 2011).

An interesting research question to be pursued in this paper is whether the onset of a general economic recession has had an impact on enterprises' preventive occupational activities. In particular, we will discuss trends in a period spanning from non-recession in 2006 to a full scale recession in 2011. The research introduced above on the hypotheses of pro-cyclicity and counter-cyclicity seem to indicate that especially the areas of overall safety administration, the work accident and the psychosocial work environment seem to be vulnerable to changes in economic factors. That is, we have chosen to explore changes in practises in the administration of the so-called work place assess-

Download English Version:

<https://daneshyari.com/en/article/6974887>

Download Persian Version:

<https://daneshyari.com/article/6974887>

[Daneshyari.com](https://daneshyari.com)