

Psychosocial risk reduction and increase of revenue per employee

Roland Polacsek Ernst

University in Witten, Germany

Abstract

In context of the 2010-2012 European Committee of Senior Labor Inspectors (SLIC) Campaign on psychosocial risks, Austria amended its Occupational Health and Safety Act in 2013 forcing all companies to evaluate and reduce psychosocial stressors. To comply with this law more than 300 companies evaluated the psychosocial risks with the Module2 of Psychosocial Stressors (PBM2). 41 of these companies with 21.216 employees already evaluated the effects of their risk reducing measures. Data of total revenue, number of employees and the PBM2 before (t0) and after intervention (t1) were available for 30 companies with 19.403 employees at t0. All 30 companies were able to improve their working conditions and reduce work related distress. The average improvement was 6.5% (on a 100% scale). The best overall development was made in the Work Environment, with 10.3%, followed by Social Climate with 7.6%, the Job Requirements with 5.3% and finally the Work Organization with 2.6%. In the same period the annual revenue of these companies grew by 8.5% and the Number of employees by 4.9%. Therefore also the revenue per employee increased by 3.4%. Interventions in the context of the mandatory psychosocial risk assessment for Austrian companies led to significant reductions in psychosocial risks and sickness leave days. The changes in the Austrian law and consequent implementation improved the working conditions significantly and also led to a positive development in revenue, number of employees and revenue per employee in these companies. It is a simple but potentially paradigm-shifting reality for senior business leaders: healthy employees lead to healthy business metrics. For decades, though, the health management industry has focused primarily on building a value story around medical cost savings. The reality is that for many business line management leaders — such as chief operating officers, VPs of sales or business unit general managers — medical cost savings may not be a priority. Consequently, championing health management programs internally may not align with their business objectives, either. Instead, the health management industry needs to focus on demonstrating the impact of their programs and services on key business performance metrics. These should include industry-specific operational business metrics (retail, call-centers, financial,

etc.), and other metrics, such as total revenue per employee, shareholder value and earnings multiples (see Figure 1 below for industry-specific examples). By focusing on the impact of health management programs on business performance metrics, senior Human Resource leaders are more likely to get the attention and support of line management within organizations. This study aimed to find out which countries around the world require psychosocial hazards and workplace violence to be assessed by employers through a mandatory occupational risk assessment process and to compare the type of legislation between countries. We systematically searched the International Labour Office (ILO) “LEGOSH” database for documents published during the period between December 2017 and February 2018. The search included 132 countries, of which 23 were considered as developed and 109 as developing according to the United Nations. Our review showed that most countries (85, i.e., 64%) have not included mandatory psychosocial risk assessment and prevention in their national occupational safety and health legislation. Moreover, we found differences between developed and developing countries, showing that developed countries more frequently have legislative measures. Within developed countries, we also found differences between countries following the Scandinavian model of workplace health and safety culture and other countries. Moreover, in many countries, workplace violence was prohibited only if it involves an offence to moral or religious customs. In conclusion, the marked difference in psychosocial hazards and workplace violence regulations among countries leads to unequal levels of workers’ protection, with adverse effects on global health.