

# Restructuring affects staff well-being regardless of job cuts

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Credit: George Hodan/public domain

Restructuring in organisations has a mainly negative effect on the welfare of employees regardless of whether there are job losses, according to a new study involving the University of East Anglia (UEA).

Researchers found no clear differences in the impact on well-being between restructuring with and without cutting staff numbers.

The finding, published in the journal *Work and Stress*, follows a review of 39 studies on restructuring published over 12 years which covered the public sector, such as government and healthcare, and private sector, including industry, transport, finance and services. The types of restructuring included downsizing, closure, mergers, change in ownership or privatisation, or a combination of more than one type.

The review's authors, from UEA's Norwich Business School and the Netherlands Organisation for Applied Scientific Research (TNO), examined the differences between the short and longer term effects of restructuring, for example from shortly after the announcement to during and after the process. They also looked at which factors, such as job characteristics, those related to the restructuring process and individual characteristics, affect the relationship between restructuring and well-being.

Not all employees experienced the negative effects to the same extent and a few studies found positive changes in well-being over time, indicating a recovery of well-being or a positive impact of restructuring. This may have been related to the type of restructuring and the way it was managed, or due to the fact that the most negative impact had already happened.

However, the majority of the studies showed negative changes over time, both during the restructuring and in the post-restructuring period, with and without any downsizing. Some groups of workers reacted less negatively, for example those with a high organisational status before restructuring and workers with a change in workgroup.

Low income employees were identified as a possible vulnerable group, while less qualified employees, non-manual workers and permanent employees were among those affected more negatively or differently by restructuring.

The review argues that designing and implementing effective interventions related to restructuring will become more and more important and recommends more support and training for all those involved in the process.

Co-author Karina Nielsen, professor of work and organisational psychology at Norwich Business School, said: "Restructuring is a significant characteristic of working life in both private and public companies and a large part of the working population will face one, but probably more restructuring events in their career. It is therefore important to understand the effects of restructuring and the impact of the way the process is managed on employee well-being, in order to reduce the [negative effects](#) for employees who continue to work at the organisations afterwards.

"Our findings show that it doesn't really matter whether people are laid off or not, it still has a negative impact. Those employees who stay on at the organisation might have to do tasks they are not familiar with and they don't necessarily get the training. They need other competencies."

The researchers found that job characteristics such as higher physical demands and less job control decreased well-being, while factors related to the restructuring process, such as communication, provision of change-related information and training impacted positively. Individual characteristics found to have a [negative impact](#) on well-being included job insecurity, employee adjustment to change, perceived impact of change and negative change experience.

Prof Nielsen said: "The characteristics of the restructuring process, such as fairness of procedures, communication and change management in general have been found to have an impact on worker well-being. Some groups of workers react less negatively, for example if they have more chance of influencing the process. The key point is how you manage the

change. Make sure people have control over their jobs, that there is good communication and the right kind of training.

"Organisations, managers, and employees should be supported in dealing with changes in a healthy way, for example by training, coaching and other on-the-job programmes aimed at individual, group and management level. Researchers and occupational and human resource management practitioners should work together in developing interventions and evaluating the intervention process and its impact on well-being and company results."

The authors defined [restructuring](#) as changes that affected at least a whole organisational sector or an entire company, and that were initiated for economic or performance reasons. Regards well-being, as well as psychological and physical symptoms they looked at job-related experiences such as job satisfaction and attachment, as well as satisfaction with pay or co-workers.

**More information:** 'The impact of restructuring on employee well-being: a systematic review of longitudinal studies', Tanja de Jong, Noortje Wiezer, Marjolein de Weerd, Karina Nielsen, Pauliina Mattila-Holappa and Zosia Mocka is published in *Work and Stress*.

Provided by University of East Anglia

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