Foreword

Lennart Levi

RECESSION, RESTRUCTURING AND WELL-BEING IN THE WORKPLACE

Closure, downsizing, outsourcing, offshoring, sub-contracting, delocalization, layoff, restructuring, merging, acquisitions – all these are, and are highly likely to remain, part and parcel of global working life. Separately and in various combinations, they have a vast impact on the health, well-being and functioning of the global labor force at all levels, and thereby also on families, enterprises and societies.

According to the European Commission (2012a), the European economy is emerging with difficulty from the deepest recession in decades. The recession caused a large drop in economic activity in the EU, with millions of jobs lost and a high human cost, and put public finances under severe pressure, leaving Member States with more binding fiscal constraints. This invites a shift from purely reactive actions by various stakeholders to more anticipative and synergistic strategies. They should target the adaptability of business, the employability of workers and fiscal adjustments of governments.

The course of events in recent years – a financial and economic crisis which turned into a debt crisis and extensive recovery packages, followed by a wave of austerity measures by most EU governments – has clearly highlighted the need for a more integrated approach towards a coordinated economic strategy, as well as towards employment and social policy making. Unemployment rates range from 4.1 per cent in Austria to 22.8 per cent in Spain. Youth unemployment is above 25 per cent in 10 EU Member States with a high of 48 per cent in Spain. In 2009, 114 million Europeans were at risk of poverty or social exclusion. This represents 23 per cent of the EU working age population. In 2009, GDP declined at an unprecedented annual rate, and unemployment shot up in most EU countries, albeit with large differences. In addition, it is highly likely that poorly managed recessions can have a significant negative long-term impact on human resources (European Commission, 2012b).

xi
The psychology of the recession on the workplace

The essence of both recession and recession-related reactive and proactive restructuring is change. But change from what, and to what, in which context and at what velocity, also is it voluntarily or by command?

This book is about recession and change in the workplace.

‘Panta rhei’ (everything flows): this famous aphorism usually attributed to Heraclitus some 2500 years ago, now correctly describes an accelerating societal process. According to Dostoyevsky, change is what people fear most – possibly because they fear the unknown. In addition according to American futurist Alvin Toffler, man has a limited biological capacity for change. When this capacity is overwhelmed, the capacity is in ‘future shock’.

Erik H. Erikson is credited for asking Sigmund Freud about the essentials for a good life, receiving the answer ‘Lieben und arbeiten’, to love and to work. Work is, indeed, an essential component in our lives. According to Marie Jahoda, this is so because a good job provides: goals and meaning in life; structure and content; identity and self-esteem; a sense of belonging; and material benefits. Recession and restructuring can pose threats to all of this.

According to Kieselbach et al. (2009), there are some convincing reasons to expect the present turbulence to continue and intensify: globalization of markets; commerce and financial flows; deregulation and trade liberalization; rapid technological changes; the shift from an industrial to a knowledge and information based economy; the threats to environmental sustainability; and changing expectations and value systems.

At the same time, we may find consolation in the fact that most changes are man-made and accordingly can be modified through actions by many stakeholders. This is true both for recessions and for reactive and proactive adaptations to recessions.

This new book addresses both the increasing job demands, the intrinsic job insecurity and the increasingly inadequate salaries facing many hundreds of millions of employees on both sides of the Atlantic, in the EU Member States, and globally. It also presents options for more human-friendly approaches. It describes our immersion in these processes, their causes and likely consequences in a highly scholarly and readable manner.

It should be requested reading for all stakeholders in central and local government, management, labor and academia all around the globe.

Stockholm, Sweden
March 2012
REFERENCES