

# 1. Introduction

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In 1972 when the industrialized world was engaged in a major industrial relations upheaval, Studs Terkel, the social commentator, in his book *Working* (1972), said:

work is, by its very nature, about violence – to the spirit as well as to the body. It is about ulcers as well as accidents, about shouting matches as well as fistfights, about nervous breakdowns as well as kicking the dog around. It is, above all (or beneath all), about daily humiliations. To survive the day is triumph enough for the walking wounded among the great many of us.

In 2014 we have entered another traumatic time, following the worst global recession in nearly 100 years. The stress levels in the global workplace, and particularly in Europe, are at a very high and unsustainable level, as there are now fewer people in the average workplace, having heavier workloads, feeling job insecure and being more micro-managed than ever before.

Many of us who are reading this book are familiar with the topic of stress at work and acknowledge that there is a plethora of literature available spanning decades of research and covering various issues of occupational stress. Whilst this abundance of literature has proved to be extremely beneficial in past years, it could be suggested that much of it has become outdated due to the rapid economic changes that are currently prevailing on an international scale. Adding to this overall weakness is the failure of the current literature to combine both economic problems and psychological issues under the same umbrella. Unfortunately this means that up until now the two scientific domains have tended to remain separate, with current economic problems being dealt with on the one hand, and psychological work stressors being dealt with on the other. One may speculate that this failure to combine these two scientific fields results in a lack of full understanding and clarity of the current world economic problems, and therefore leads to a lack of insight as to how this adversely affects individuals, organizations and societies at large. It appears that the time has now come for these two spheres to combine as one, since it is evident that the current economic crisis is indeed creating huge psychological changes and impacting on the working lives of all people across the globe. The sheer number of countries, organizations, employees and

families who have been negatively affected by this crisis demonstrates the interconnectedness of world economies, human health and overall wellbeing. Therefore, the psychology of people at work in relation to world economies should no longer be seen as separate spheres, but rather as a single entity, tightly interwoven, constituting the realities of all nation states and wellbeing of their people.

Whatever the sector, and whatever the country, it appears that the whole international workforce has been caught up in a kind of tsunami, in the unusual stressors of our current times. This can be clearly seen on a daily basis, as people switch on their televisions and listen to the news, and one is being driven down a road where three specific themes are being constantly addressed, although solutions are yet to be found. These three contemporary themes that we are currently being faced with are: first, the world economic recession that has engulfed the twenty-first century; second, and a knock-on effect from the first (or vice versa), is the overwhelming array of problems in the banking world; and thirdly, and uniquely, is the huge euro crisis stressor, which unfortunately has now turned into a chronic stressor, affecting most eurozone members, and is no longer a unique stressor that we all once believed. The effects of these problems can be seen in a number of ways, which will be discussed further in this book. An example can be seen from figures reported in July 2011 that youth unemployment is widespread in Europe, with figures showing that in the eurozone 20 per cent of those under the age of 25 are out of work, while in Spain the figure is 46 per cent (INSIGHT, 2011). More recently, in March 2014, we learn that unemployment in certain countries, such as Greece, is currently at the particularly high level of 27.5 per cent in the last quarter of 2013, according to the Hellenic Statistical Authority (ELSTAT, March 2014). Moreover and worrisome is the fact that the jobless rate of 27.5 per cent in Q4 2013 was even higher than the Q3 rate of 27 per cent and Q4 rate of 26 per cent recorded in 2012. However, the percentage of the long-term unemployed is at an alarming level, currently standing at 72 per cent, whilst the unemployment rate for young adults (15–24-year-olds) stands at 57 per cent (cited by *Kathimerini* of the *New York Times*, 14 March, 2014). Such figures ultimately imply that there are now fewer people doing more work, and the consequences in terms of stress and health need to be explored.

Coupled with these severe problems are reports emerging indicating that the suicide rates in economically starved Greece, for example, rose by 17 per cent between 2007 and 2009. According to reports based on the World Health Organization and Eurostat figures, Greece has seen the highest increase in suicides over the three-year period, whilst economically

troubled Ireland registered the second highest rate at 13 per cent (cited in *Athens News*, September 2011).

These contemporary problems need to be addressed from a combined economic–psychological perspective if appropriate solutions are to be found, and there is a vital need to fully assess and understand the true meaning of global hardship and wellbeing of the world's people. For example, according to NIOSH (2002), as cited in Lundberg and Cooper (2011), during the last couple of decades the workplace in the USA, Europe and some highly developed Asian countries has undergone major changes involving introduction of 'downsizing and outsourcing', 'lean and just-in-time' production, longer working hours and temporary and part-time employment. These changes indeed started as a result of the recession and thereby increased business globalization. The impact on the psychosocial work environment has been higher workloads and greater time pressures (fewer people doing more), increased speed of change, less predictability, decreased job security and job loss.

Corresponding with such economic changes, one should also note that there is a consistent trend in a large part of the globe for stress-related disorders to become more prevalent and severe, and this has been documented for several years now (see, for example, Cooper et al., 2009). For example, data from the Health and Safety Executive (2007) indicate that 420,000 employees in Britain believed they were experiencing stress, depression or anxiety at levels that were making them ill. Furthermore, the World Health Organization (2001) identified mental health problems and stress-related disorder as 'the biggest overall cause of early death in Europe'. Similarly and according to the European Working Conditions Survey 2006 (cited in Lundberg and Cooper, 2011), 30–40 per cent of workers reported such problems, with the highest figures in the new member states.

Additionally, in the UK stress has been estimated to cost the economy between 5 and 10 per cent of GNP per annum (see Table 1.1; Cooper, 2005) and mental illnesses (e.g. depression, chronic fatigue syndrome, anxiety, personality disorders, drug abuse problems, schizophrenia) and pain problems are the most common reasons for individuals describing their state of health as 'poor'.

At the same time and of concern is the emergence of different economic and employment patterns, and as economic analysis of future employment patterns by Oxford Economics suggests: 'We may expect to see a gradual rise in reports of stress, depression and anxiety over the coming years, as employment shifts towards professional and service occupations where the prevalence of stress, depression and anxiety is reportedly higher' (cited in Dewe et al., 2010).

*Table 1.1 The costs of workplace stress and mental health problems in the UK*

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1. Total cost to employers of mental ill-health at work is estimated at £29.5 billion per annum<sup>1</sup>
  2. Stress from work per annum costs employers an estimated £3.7 billion<sup>2</sup>
  3. 13 million working days are lost<sup>3</sup>
  4. Total cost of incapacity benefit per annum is £12 billion<sup>4</sup>
  5. Nearly 40% of people drawing incapacity benefit (IB) have a mental health condition = £5 billion

Cost of stress in the workplace results from a wide range of sources such as:

- sickness absence;
  - labour turnover;
  - premature retirement;
  - health insurance;
  - treatment of consequences of stress.
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*Notes:*

1. Sainsbury Centre for Mental Health (2008).
2. Confederation of British Industry (CBI) (2005).
3. Health and Safety Committee (HSC) (2004).
4. Department for Work and Pensions (DWP) (2006).

*Source:* Lundberg and Cooper (2011). *Government Office for Science*, Department for Innovation, Universities and Skills (DIUS).

It appears, therefore, that the current global economic crisis has brought about a host of problems and transformations, with major repercussions being felt at personal, organizational and societal levels.

Furthermore, and in recent years, we have seen great changes in working conditions in industrialized countries, related to a more global economy and advanced technologies that have given rise to more competition around the world, increased demands for speed, greater efficiency and productivity, and a faster pace of work. In the more recently developed and emerging countries, such as China, South Korea and India, these changes have been even faster and more dramatic, and hence are most likely to cause stress for people in these countries. Additionally, and as stated by Lundberg and Cooper (2011), repeated economic recessions such as the current one that we are experiencing have contributed to additional turbulence and have intensified the restructuring of companies and manufacturing innovation, leading ultimately to reduction of personnel. Furthermore, and as has been evident in recent years, such changes will be followed by increased unemployment and even higher

demands on the remaining employees. Demands for more advanced training and education and a faster pace of work make it almost impossible for people without these qualifications to obtain permanent work. Adding to these problems are other social and economic issues that need to be discussed, such as pension cuts as a result of this recession and the collapse of the banking sector, which ultimately means that people will need to work longer and harder, with consequent implications across many societies. It seems, therefore, and without a doubt that organizations, whatever their size and however they may be structured, are not immune from economic, social and psychological turmoil. As we will discuss throughout this book, government initiatives, regulations and appropriate management practices need to be put in place to help alleviate the work stressors that are being encountered during this economic world crisis.

Further reasons for the escalating world problems and transformations taking place are a result of the fact that during the past century, the life and identity of contemporary man has been grounded on a society that has advertised employment, consumption and financial status as its primary motives and top priority needs. As beautifully pointed out in the early 1950s by the famous sociologist Maria Jahoda (1958), our employment status signifies to the outside world our 'identity': the 'who I am' construct. Suddenly today, we are having to educate our people that it is the opposite: we are in reverse gear, and we are having to contend with fewer jobs, fewer employment prospects, and much less income to consume; hence our society no longer can be built on the foundation of consumption and financial and employment status. These unique stressors of our current times are not only reflecting practical issues, but equally important 'symbolic' ones, which are tapping into a wide range of psychological issues that vitally need to be addressed. It must therefore be realized amongst laymen and professionals alike that this global economic crisis is adversely affecting most individuals in some form, causing multiple upheavals for individuals, organizations and community-wide functioning, the repercussions of which we are just beginning to see. Against the backdrop of these negative occupational, economic, social and political problems, we identify a number of societal issues reflecting discontent. It might be predicted that rising crime statistics reflect this discontent and also the motivation to find immediate gratification through unlawful means of income. Indeed, according to Weinberg and Cooper (2012), it has been suggested that there are indications on both sides of the Atlantic that this may be true. Within the United Kingdom, different statistics emerge from the police and the British Crime Survey, with the latter showing that domestic burglary had increased by 14 per cent between 2009 and 2011 (Home Office/ONS, 2011,

cited in Weinberg and Cooper 2012). Personal and household crimes in the United Kingdom – including theft of unattended property from gardens and businesses, as well as personal items left unguarded, such as wallets – also increased by 10 per cent. A similar pattern emerged in the United States, with the estimated rate of burglaries increasing by 2 per cent over the five-year period of 2005–09 (FBI, 2009, cited in Weinberg and Cooper, 2012). It could be suggested (despite the vagueness of interpreting such statistical data across countries) that in times of economic recession, societies are paying dearly in terms of petty theft and burglaries within communities and against fellow citizens.

Naturally, therefore, it is important that a full examination of the correct management of economic and social issues is needed, and these contemporary problems need to be addressed from a combined economic–psychological perspective if appropriate solutions are to be found. A large body of research is able to show that there is a strong connection between human health and the work environment, although professionals acknowledge that there is often a time-lag between the experience of stress and the onset of medical symptoms (Theorell, 1998). Given that the impact of the economic crisis is still in full swing, it seems appropriate to suggest that the time has now come to fully assess its impact in both economic and psychological terms.

Furthermore and coupled with these severe problems is the enormous obstacle that there are no lessons from the past, regarding the euro crisis, that can guide any economist or government in finding a workable solution. This is due to the unique nature of the euro, ‘the experiment that once was’ in the beginning of the twenty-first century. This of course means that unlike in the past, there are no quick remedies, there are no quick solutions, and there are no economic models or theories that can be reapplied to today’s crisis. Our contemporary problems for all, both employees and employers, for economists, governments and occupational psychologists, are being tested and tried for the first time in an attempt to find expert solutions. It also seems thus far that professional sectors are generally working alone and not in tandem, each seeking to find a solution to the escalating world economic problems.

Resulting in the lack of current remedies available, this has allowed each and every one of us to portray these international problems through our own individual lens, and each person, whether professional or layman, is seeking a justification for their views. The euro crisis, therefore, has become a popular topic of conversation, almost fashionable to discuss amongst friends, politicians, economists or even strangers meeting on the bus to go to work. The eurozone has even become a popular topic of conversation amongst friends in different countries whereby, when meeting,

their common thread and introductory topic is ‘how is your country coping with the euro in comparison to our country?’ It is a well known fact, however, that underlying such confusion of thought and ambiguity is an abundance of strong theoretical and research findings by psychologists (see, for example, Karasek, 1990; Cooper, 1988; Fotinatos-Ventouratos and Cooper, 1998), which confirms that uncertainty in itself and hence lack of control is a huge psychological stressor.

If the general population had known in advance that the euro and the impact of the economic crisis had an ‘expiry date’, then this by itself may have added a ‘psychological safety net’ for the average employee and employer to have in the back of their minds as a coping strategy. If they had been assured that the problem would end, albeit in the long term, appropriate psychosocial counter-measures could have been taken. But this is not the case, and today’s issues are very different from any other time in the past, and the stressors and strains of our contemporary times need to be addressed and dealt with in an exceptionally unique one-off time. It could be suggested, therefore, that in order to fully comprehend our combined work and economic problems in the twenty-first century, there is a need to have an ‘eye on the past’, an ‘eye on the present’, and a solid vision for the future. Therefore, in order to accurately address our contemporary problems, it is necessary to trace our very recent past and to shed accurate light on how we have reached where we are today, in a world of combined economic crisis and workplace upheaval, to find feasible solutions for us all.

This is exactly what we have attempted to do in compiling this book. The book is divided into three parts as we look at the past and present and have a picture for the future. More analytically: Part I of this book, therefore, addresses the economic position of this crisis and reflects on the historic past, to give the reader an insight into how we came to where we are today, with the economic problems and effects of globalization. In Part II of this book, we analytically describe the psychological impact of this economic crisis, and this is assessed at both the individual and organizational level. The consequences of this economic crisis in terms of occupational stress are discussed separately in Chapter 6, where we will highlight the ongoing stressors in the changing turbulent world of work. The final, third part of this book, chapters 7 and 8, addresses the issues of wellbeing at work in the post-economic crisis era and an evaluation is given in terms of both organizational effectiveness and individual and societal wellbeing, with a vision for a healthier and psychologically more stable future.

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