



REPRESENTING EMPLOYER ORGANIZATIONS THROUGHOUT THE WORLD

Contrasting the European and Global approaches to stress

Presentation by Dr Janet L Asherson
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THE CHALLENGES WITH INSTRUMENTS TO ADDRESS STRESS



Top 10 causes said to cause stress WORK LIFE BALANCE ISSUES

- ☐ Unemployment or fear of
- ☐ Financial worries/debts
- ☐ Single parenthood
- ☐ Relationship problems
- ☐ Other family problems
- ☐ Moving house
- ☐ Death in the family
- ☐ Having a baby or infertility
- ☐ Serious or terminal illness
- ☐ Retirement



What is stress - cause and effect, evolving and developing DEFINITION, CONTEXT AND CULTURAL ISSUES

Coping/Not Coping

Emotional and Psychological Abuse

Post
Traumatic
Stress
Disorder

Violence

Mobbing

Bullying

Burnout

Stress/Distress

Personality clash

Mistreatment

Harrassment

Presenteeism

**Stress and Compensation
work / life factors**

Work organisation and arrangements

Exacerbates other conditions

Impairment to Physical and Mental Health



Why is stress important

COST OF STRESS ISSUES

If you don't know what stress is how do you cost it ?

You do lots of research and lots of surveys and issue lots of figures and cause confusion

2012 - OVERWORK and stress
costs Australia more than \$30
billion a year, half the total
workplace injury bill

ILO stress and violence - 1-3.5% GDP per yr

2005/6 work-related stress, depression and
anxiety cost Great Britain in excess of £530
million. Workers who sought medical advice for
what they believed to be work related stress
increased by 110,000 to an estimated 530,000

HSE stress costs society £3.7bn/yr

It is estimated that job stress cost U.S. businesses between
\$150 billion (Spielberger, Vagg, & Wasala, 2003, citing Wright
and Smye) and \$300 billion annually (American Institute of
Stress). However, it is important to note that these estimates
have been criticized as guesswork and speculation (Goldin,
2004).

TUC 2004/IOM UK economy
£7bn/yr in sickpay/lost
production/NHS costs
6.4m lost working days, affects
64% public sector and 48%
private sector

Hot off the press

UK Oct 2012 average level of employee
absence fallen from 7.7 days to 6.8 per
employee per year. Coincides with
increase in the number of people going
into work ill (presenteeism). Stress-
related absence also on the increase and
features as the most common cause of
long-term absence, for the second year
running.

CBI - costs of mental
health and stress £5bn/yr

2010 Stress-related illness costs the Australian economy \$14.81 billion a year in
absenteeism and presenteeism, The direct cost to employers is \$10.11 billion and, on
average, more than three days are lost to stress per worker per year

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THE EU APPROACH – SOCIAL DIALOGUE SOLUTION



An EU non legislative initiative

So far in the EU:

- development of social dialogue agreement between the social partners
- not legislation solution because
 - ☐ multifaceted causes and effects
 - ☐ work and life factors can interact and cause stress in either or both domains
 - ☐ stress can impact on colleagues, teams, work, family, community and society
 - ☐ individuals react differently and resilience varies
 - ☐ cultural, legal and financial differences across EU
 - ☐ practical solutions have to be tailored to individual and context
- signed 8 October 2004 to be implemented and report back



Social Dialogue Agreement in a nutshell

- acknowledges stress can affect any workplace and any worker but not all workplaces or workers are affected,
- recognises stress is not a disease
- gives a nuanced description of work-related stress, taking account of differences in individual reactions to stress,
- proposes a method to identify whether there are problems of work-related stress and define ways of preventing, eliminating or reducing them, which
 - takes full account of the multi-faceted character of stress,
 - encompasses both health and safety and organisational aspects of stress,
 - leaves full latitude for decisions to be taken at company level and recognises that the responsibility for determining the appropriate measures rests with the employer
- gives freedom to MS social partners on how to implement but must report back to EU

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THE EMPLOYERS PERSPECTIVE



Whatever the true costs..... for employers it is a big cost

- ☐ It is a lot of money
- ☐ It is a double whammy
- ☐ Taking a lot of resources from the company
- ☐ Making a business less efficient
- ☐ Taking money from business bottom line
- ☐ Giving competitors an easy advantage
- ☐ Placing a costly burden on services and society
- ☐ Requiring higher taxation to cover these costs
- ☐ Adding further to the costs on business





For employers the cost of stress to business is more than money

Stress compromises (our assumptions on) human reliability

- ☐ Increased sickness absenteeism
- ☐ Higher turnover rates/training, recruitment costs
- ☐ Reduced job satisfaction
- ☐ Reduced productivity
- ☐ Premature retirement
- ☐ Public goodwill and reputation
- ☐ Grievance/litigation/compensation
- ☐ Management time to deal
- ☐ Increased insurance premia
- ☐ Increased taxation and social security for societal costs



Incentives for employers to manage stress

The carrot of controlling costs of absence and disruption



**The stick of threat of legislation,
litigation and compensation claims**



Cause, effect and management of stress



Cause of stress at work



Effect of stress at work



Managed stress at work



MANAGEMENT SYSTEMS APPROACH

Analyse the risks from the job and address

- **Demands**
- **Control**
- **Support**
- **Relationships**
- **Role**
- **Change**



Management Issues

- ❑ Easy to assert one is stressed.
- ❑ “stress” is ***not*** a medical condition but can lead to them
- ❑ Employers can assess risks but they are not psychics.
- ❑ Individuals react differently to same conditions and have different life influences
- ❑ Employees need to cooperate and participate.



The flip side of the coin The other end of the telescope





**THE GLOBAL APPROACH:
EMPLOYERS RECOGNISE
CHALLENGE AND BUILD
RESILIENCE FOR
ENTERPRISES, EMPLOYEES
AND COMMUNITIES**



WHY RESILIENCE IS IMPORTANT

Life is tough – the only constant is change, crises happen.

Build resilience to empower people and companies to adapt to and shape change recognising the dynamic interaction between change at all levels and time frames



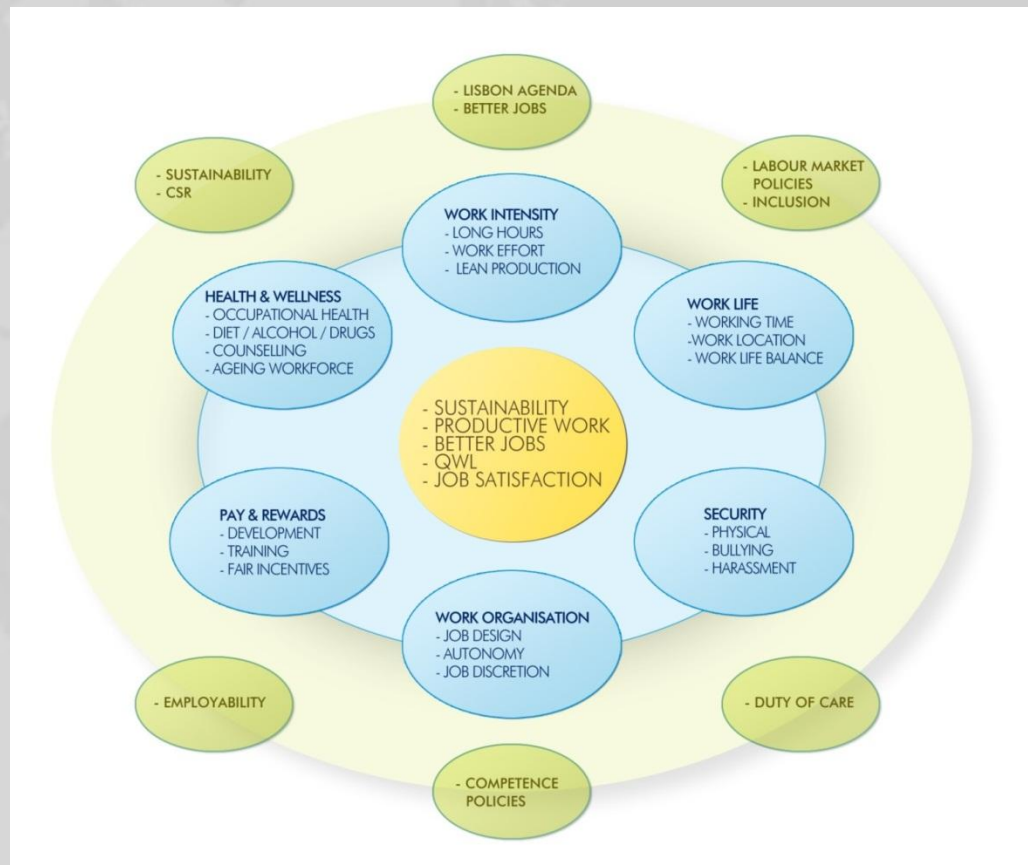
For individuals





Tools to build resilience

There is already a long shopping list inside and outside the company for tools to be chosen





The basics for personal resilience

State provides basics
ILO Recommendation on *SOCIAL PROTECTION FLOORS*
for 4 basic social security guarantees

Employers indirectly are major providers via taxation

What employers
do directly



Good health
through food,
shelter and
essential health
care



Basic education
and income
support for
children



Basic income
security for
persons in active
age unable to
earn sufficient
income



Income
security in old
age



Lifelong learning
Innovation and
development
company and
community
support

national definition of minimum levels

ALIGNMENT AT ALL LEVELS

