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**EFFECTS OF ORGANIZATIONAL DOWNSIZING ON WORKERS’  
HEALTH: REVIEWING TEN YEARS OF EVIDENCE**

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***Abstract***

Organizational downsizing in response to global financial pressures has been found to have a deleterious effect on worker health. The lack of awareness of these effects has limited institutional responses. The research question for this study is how organizational downsizing affects the health of workers and to identify the ways to mitigate their effects. This study attempts to identify the effects on the physical and mental health of the workers affected by the organizational downsizing and also on those who continue to work and explain the mechanisms behind these effects to elucidate the measures that can be implemented to mitigate the problems. A search was performed in PubMed, a search engine for access to the MEDLINE database of citations and abstracts of biomedical research using the terms MeSH: Work, Downsizing, Health effects selecting the articles published between June 2007 and June 2017. Organizational downsizing has been found to have a dominant negative effect on health and risk factors. The anticipation of dismissal is in itself associated with negative health effects. Increased work stress may be a mediating pathway through which the external economic environment leads to adverse health outcomes. Occupational health initiatives to improve worker well-being and a psychosocial safety climate can help to mitigate the problems. Organizational downsizing contribute to an increase in physical and mental health problems. The work stress and the stress-induced overactivity or disturbances of the hypothalamic pituitary adrenal-cortical system have been lead to cardiovascular disease, cognitive impairment, metabolic deregulations and clinical depression.

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**Keywords:** Organizational downsizing, occupational health, stress, work.



## **1. Introduction**

Over the past two decades, a leading business practice has been to undertake repeated rounds of downsizing and restructuring among large private and public sector employers (Quinlan & Bohle, 2009). The rising power of capital markets, globalization of financial and product markets thereby increasing the sphere of competition, and rapid technological change create pressures for high performance at both corporate and individual levels (Westgaard & Winkel, 2011).

## **2. Problem Statement**

Organizational downsizing increase the risk of work-related injury, occupational violence, cardiovascular disease and psychological distress/mental illness (Quilan, 2007), sleep disturbance (Greubel & Kecklund, 2011), emotional exhaustion (Linda et al., 2008), decrease in social trust (Laurence, 2015), and increased consumption of medicines (Kasperson et al., 2017). The anticipation of organizational changes as well as times during which organizational changes actually take place are periods of great stress (Greubel & Kecklund, 2011). The negative health effects of downsizing/restructuring arise from the job insecurity felt by ‘survivors’ (those remaining in the organization) and work intensity which contribute to an increase in physical and mental health problems (Quinlan, 2007)

## **3. Research Questions**

How does organizational downsizing affect the health of workers and what are the ways to mitigate their effects?

## **4. Purpose of the Study**

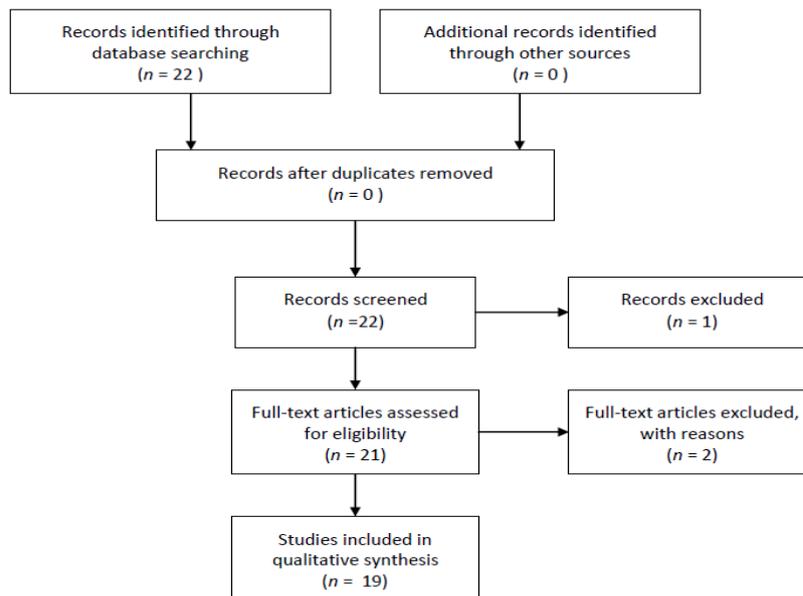
The purpose of the study is to identify the effects on the physical and mental health of the workers affected by the organizational downsizing and also on their survivors who continue to work and explain the mechanisms behind these effects to elucidate the measures that can be implemented to mitigate the problems.

## **5. Research Methods**

It was decided to carry out a qualitative review of the previously published information as a way of obtaining a comprehensible synthesis about the problem. A search was performed in PubMed, which is a search engine for free access to the MEDLINE database of citations and abstracts of biomedical research, developed by the National Library of Medicine (NLM) using the terms MeSH: Work, Downsizing, Health effects and selecting the articles published between June 2007 and June 2017. For the structuring of this analysis, the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-analyzes) model considered as indispensable to elaborate a systematic review or meta-analysis (Liberati et al., 2009) was applied.

The inclusion criteria were: articles on the health effects of workers resulting from the restructuring of enterprises, written in English and published in the last ten years. Exclusion criteria were: duplicate articles, articles of opinion or reflection, articles written in languages other than English, articles based on clinical cases and discordant articles for the purpose of review. Figure 01 represents the flowchart of the selection after themes from these selected articles were identified, grouped and analysed.

**PRISMA Flow Diagram**



**Figure 01.** PRISMA Flow diagram

## 6. Findings

The research carried out resulted in the identification of 22 articles which were further narrowed down to the final choice of 19 that met all inclusion and exclusion criteria.

**Table 01.** Findings of the articles selected for review

<b>Title</b>	<b>Author/s &amp; Year</b>	<b>Findings</b>
1. A narrative review on the effect of economic downturns on the nursing labour market: implications for policy and planning.	Alameddine et al., 2012	In health sector workplaces downsizing have negative public health impacts.
2. Perceived Effects of Organizational Downsizing and Staff Cuts on the Stress Experience: The Role of Resources.	Boyd et al., 2013	A safe psychological climate may lessen the negative effects.
3. Struggling to adapt: caring for older persons while under threat of organizational change and termination notice.	Fläckman et al., 2009	In health sector workplaces downsizing have negative public health impacts.

4. The Impact of Organizational Changes on Work Stress, Sleep, Recovery and Health.	Greubel & Kecklund, 2010	Poor sleep, sleepiness and incomplete recovery increased with downsizing and the anticipation of changes.
5. Interventions that facilitate sustainable jobs and have a positive impact on workers' health: an overview of systematic reviews.	Haby et al., 2016	Flexible arrangements centered on the worker may lessen the negative effects.
6. Employees' drug purchases before and after organizational downsizing: a natural experiment on the Norwegian working population (2004–2012).	Kasperson et al., 2017	Downsizing increased consumption of medicines.
7. (Dis)placing trust: The long-term effects of job displacement on generalised trust over the adult lifecourse.	Laurence, 2011	Downsizing undermines social trust.
8. Demand, control and social climate as predictors of emotional exhaustion symptoms in working Swedish men and women.	Linda et al., 2008	Downsizing could predict emotional exhaustion or burnout.
9. Job insecurity during recessions: effects on survivors' work stress.	Modrek & Cullen, 2013	Downsizing led to persistent work stress. Increased work stress leads to adverse health outcomes.
10. Evidence that brief self-affirming implementation intentions can reduce work-related anxiety in downsize survivors.	Morgan & Harris, 2015	Brief psychological interventions may lessen the negative effects.
11. "It depends on us": Employee perspective of healthy working conditions during continual reorganizations in a radiology department.	Nilsson et al., 2009	Mutual trust and work-confidence and respect balancing the negative effects of downsizing
12. Organisational restructuring/downsizing, OHS regulation and worker health and wellbeing.	Quinlan, 2007	Downsizing increase the risk of work-related injury, occupational violence, cardiovascular disease and psychological distress/mental illness.
13. Overstretched and Unreciprocated Commitment: Reviewing Research on the Occupational Health and Safety Effects of Downsizing and Job Insecurity.	Quinlan & Bohle, 2009	Poor outcomes of the occupational health and safety (OHS) in the past 20 years.
14. Long-term impact of role stress and cognitive rumination upon morning and evening saliva cortisol secretion.	Rydsted et al., 2011	Stress-induced disturbances of endocrine system that have been related to disease.
15. Sickness and sickness absence of remaining employees in a time of economic crisis: A study among employees of municipalities in Iceland.	Sigursteinsdóttir & Rafnsdóttir, 2015	Employees of downsized workplaces were more likely to be sick.

16. Mortality Patterns following Downsizing at Pan American World Airways.	Steenland & Pinkerton, 2007	No significant increase in overall mortality attributable to downsizing.
17. Work-Related Psychosocial and Organizational Risk Factors for Headache.	Tynes et al., 2013	Downsizing more than doubled the risk of headache.
18 Perceived job insecurity as a risk factor for incident coronary heart disease: systematic review and meta-analysis.	Virtanen et al., 2013	A modest association between perceived job insecurity and incident coronary heart disease.
19. Occupational musculoskeletal and mental health: Significance of rationalization and opportunities to create sustainable production system – A systematic review.	Westgaard & Winkel, 2011	Anticipation of job loss or dismissal is associated with negative health effects. The participation of the workers may lessen the negative effects.

Increased work stress may be a pathway through which the external economic environment leads to adverse health outcomes (Modrek & Cullen, 2013). Downsizing led to persistent work stress, which accumulated over time may lead to negative health outcomes (Modrek & Cullen, 2013). Stress-induced disturbances of the hypothalamic pituitary adrenal-cortical system have been related to cardiovascular disease, cognitive impairment, metabolic deregulation and clinical depression and upper respiratory infection following viral exposure (Rydsted et al., 2011).

Anticipation of job loss or dismissal is associated with negative health and risk factor effects. Effects of realized downsizing depend on the level of downsizing, exposure to repeated downsizing and immediacy (Westgaard & Winkel, 2011). Downsizing could predict emotional exhaustion or burnout. Burnout/exhaustion has numerous potential concomitants and/or consequences such depression, psychosomatic complaints and sick leave (Linda et al., 2008).

Employees of downsized workplaces were more likely to be sick (Sigursteinsdóttir & Rafnsdóttir, 2015). Poor sleep, sleepiness and incomplete recovery increased with downsizing and this is even true for the anticipation of such changes (Greubel & Kecklund, 2010). Downsizing more than doubled the risk of headache (Tynes et al., 2013). A modest association between perceived job insecurity and incident coronary heart disease (Virtanen et al., 2013). No significant increase in overall mortality attributable to downsizing was found (Steenland & Pinkerton, 2007).

Downsizing undermines social trust (Laurence, 2011) and in health sector workplaces are interventions with negative public health impacts that should be withdrawn from practice (Fläckman et al., 2009, Alameddine et al., 2012; Haby et al., 2016). The participation of the workers, information, anticipation of the results and the management styles, may lessen the negative effects (Westgaard & Winkel, 2011) as brief psychological interventions (Morgan & Harris, 2015), a safe psychological climate (Boyd et al., 2013), mutual trust and work-confidence and respect (Nilson et al., 2009) and flexible arrangements centered on the worker (Haby et al., 2016). However, the extensive scientific evidence is little used by occupational medicine and top decision makers (Westgaard & Winkel, 2011). Overall, evidence supports the fact that are many negative effects and these can be mitigated with appropriate interventions at various levels.

## 7. Conclusion

Organizational downsizing has now become a fact of life which however, has a dominant negative effect on health and risk factors. Increased work stress may be the principal pathway to adverse health outcomes as the stress induces endocrine and immunological disturbances that lead to the onset of diseases.

Although organizational downsizing is a major causal factor of physical and mental health problems among workers, these adverse effects on workers' health are completely disregarded by decision-makers. Dissemination of relevant knowledge has not reached key stakeholders. Occupational health initiatives to improve worker well-being and a psychosocial safety climate can help to mitigate the problems. Occupational health initiatives should be undertaken to prevent adverse effects on the health of victims and survivors. The findings of this review can help relaunch the debate around these issues and motivate further studies into this area as this involves not just the health and well-being of the individual workers concerned but also the well-being of the corporations they work for and the nation as a whole as healthy and happy workers contribute to an economically healthy nation.

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