

CHAPTER II

REVIEW OF LITERATURE:

Kate Sparks, Brian Faragher and Cary L. Cooper¹¹ in their article “Well-being and occupational health in the 21st century workplace” have stated that there are four factors-job insecurity, work hours, control at work and management styles that cause a lot of stress to the work force in the UK.

In a survey carried out in 1992 of nearly 1,300 full-time employees in a random sample of private companies in the United States, it was found that gender, among other factors (the level of the employee in the organization, income, occupation and family situation), accounted for differences in job stress at the workplace. The survey found that stress affects women more than men, and that they are significantly more likely to report burnout, stress-related illnesses or a desire to resign from their jobs. The researchers suggested several reasons for this. In the first place, women are often paid less than men for their work, even if they have college degrees. Many organizations also lack policies which respond to family issues. Single women with children, along with low-paid college graduates, are at highest risk of burnout. Some 50 per cent of single women with children reported burnout, compared to 31 per cent of married women with children.¹²

Management expert Edward Lawler and his colleagues evaluated the barriers and facilitators to the diffusion of employee involvement in Fortune 1000 firms¹³. Key facilitators and barriers in these firms were surveyed- the research insights are equally applicable to healthy workplace initiatives. Jeremy Rifkin’s scenario in the mid-1990s of a “*workless world*” brought about by new information technologies was wrong. Instead by the end of the 20th century, many organizations in North America were running lean, having downsized and streamlined in the past decade. The resultant work intensification is not sustainable; but a barrier to innovation and change¹⁴.

A national study in Britain correlated rising job skills requirements with increased stress levels¹⁵. Management may also contribute a major barrier to positive change in work environments. There is ample evidence going back to the early 20th century documenting that team approach in creating healthy workplaces was. Achieving work life balance also depends more than anything on a supportive environment in the organization¹⁶. In other words, health must be a shared responsibility. A wide range of human resource and organizational health processes can become leading indicators of successful business strategy implementation in creating and sustaining healthy workplaces¹⁷.

Employee and organizational well-being workplace health intervention uses surveys and collaborative groups to improve employee and organizational performance. As much as a fifth to a quarter of the variation in adult life satisfaction can be accounted for by satisfaction with work. Measures of job satisfaction tend to correlate in the range of .50 to .60 with measures of life satisfaction¹⁸.

Surveys of recent and upcoming generations of employees clearly show a majority of employees desire greater meaning and personal development from their work and suggest many workers see their work as a calling – enjoyable, fulfilling and socially useful^{19,20} Studies now clearly suggest that the well-being of employees may be in the best interest of the employer. In particular, researchers have studied relationship of individual – level job satisfaction to individual – level performance^{21,22}.

Met-analysis reveals positive relationships between job satisfaction with one’s supervisor and satisfaction with one’s work. In sum, work is a pervasive and influential part of the individual and the community’s well-being. The ability to promote well-being is of considerable benefit not only to employees in the community but also to the employer’s bottom line.

The World Health Organization in its publication **“Social Determinants of Health: the solid facts”** looks at the social cost of health and identifies ten key determinants of health of a community and includes discussion on the importance of considering the factors of “Stress and Work”. The WHO report has suggested²³, “In schools, businesses and other institutions, the quality of the social environment and material security are as often as important to health as the physical environment. Institutions that can give people a sense of belonging and of being valued are likely to be healthier places than those in which people feel excluded, disregarded and used”.

The paper goes on to be more specific to the work setting and has identified four major policy implications for organizations dealing with stress in the workplace. These are:

- There is no trade-off between health and productivity at work – a virtuous circle can be established,
- Appropriate involvement in decision making is likely to benefit employees at all levels of organization,
- Redesigning practices in offices and other workplaces – to enable employees to have more control, greater variety and more opportunities for development at work- benefits health,
- Work that does not provide appropriate awards.

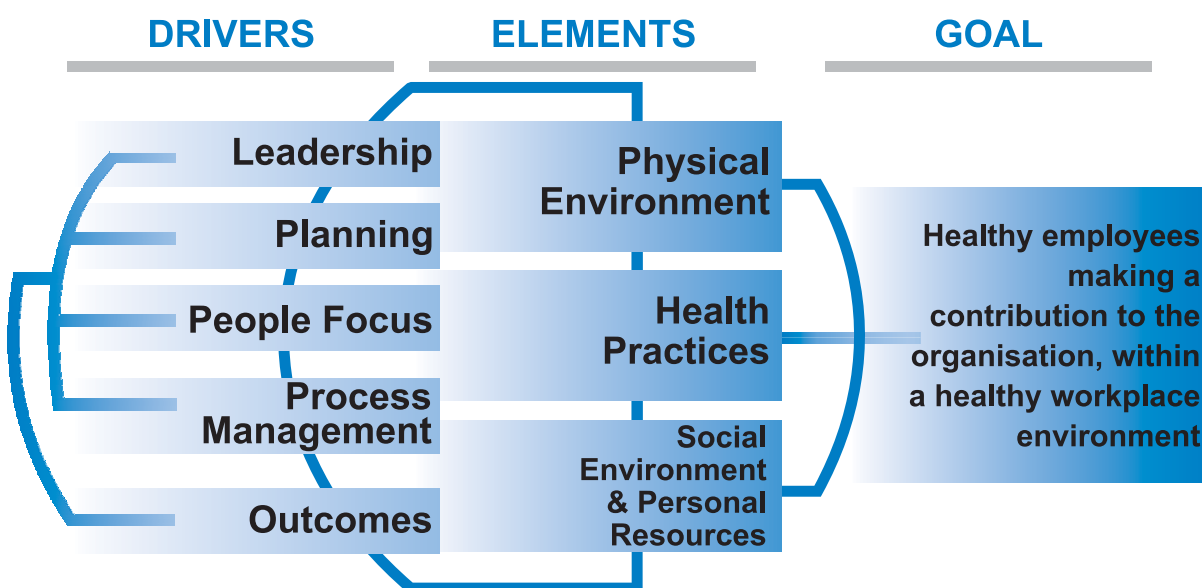
The recognition of this cost in both dollar and social terms has highlighted the need to address the variety of issues related to staff health and well-being using a multi-level

approach. Hence it is very clear that there is no trade off between health and productivity at work.

Systems level intervention is the path chosen by those organizations wanting to not only get the, most from their staff but also wanting to ensure that their organization is seen as a safe and healthy workplace.

Guiding Principle for a Healthy Workplace:

Healthy Employees + Healthy Organization = Healthy Workplaces



Source: Canadian Healthy Workplace Criteria – Overview

Some examples of cost of ill health to the organization:

1. Sickness absence costs UK employers around 12.2 billion pounds each year. Between 2% and 16% of the annual UK salary is spent on sickness absence,
2. The cost of making reasonable adjustments to keep an employee who develops a health condition or disability will almost certainly be far lower than the cost of recruiting and training a new employee,
3. An estimated 34 million days a year are lost in England and Wales through sickness absence resulting from smoking related illness,
4. Physical inactivity has major health consequences – including obesity, coronary heart disease and cancer and in England is estimated to cost the wider economy 8.2 billion pounds per year and

5. Alcohol misuse among employees in England costs upto 6.4 billion pounds a year in lost productivity through increased absenteeism, unemployment and premature death.

Hence there is evidence to show that, when organizations proactively improve their working environments by organizing work in ways that promote health, all adverse health-related outcomes, including absence and injuries, decrease.

A study by International Stress Management Association - UK, (ISMA)²⁴ has indicated that nearly 60% of working adults in Great Britain have experienced a great deal or fair amount of stress over the last three years, and that nearly 40% of these people have experienced a great deal of stress. Perhaps most importantly, over 40% of people who experience stress at work said that this had worsened over the last 12 months. The results suggest that stress is widespread throughout the workplace, with many citing poor management style and excessive workloads as significant factors. Critically for organizations, 30% of those who have experienced significant levels of stress feel that it has lessened their commitment to their employers. Stress was also cited as having a negative effect on the health of over a third of the working population (amounting to approximately 8.5 million people), with men and women being equally affected by the problem.

Studies have pointed out that there are issues related to work hour that also causes stress at the corporate sectors. The IT sectors are particularly vulnerable. In some mechanical and automated industries also the stress level are quite high. Workplace stress saps energy from corporations, and cuts profits says Rob Moodie²⁵. According to his study stress-related workers' compensation claims have been on the rise and now make up one-quarter of the total claims costs. Absenteeism, high turnover and poor attendance are results of job stress. The Australian National Audit Office estimated that \$136 million could be saved in a year in the public sector alone if the bottom 75 per cent of Australian government agencies were to reduce their absenteeism to the level of the top performing agencies.

Rob Moodie's study shows women are more likely to experience high job stress than men, and that job stress is more prevalent in younger male and female employees in lower skill level jobs than in older employees in higher skill level jobs. The causes of job stress can generally be attributed to where you work and what you do. They cover such things as poor communication, role ambiguity, little participation in the decisions that affect one's job, interpersonal conflict, bullying, conflict with home life, and inflexible work schedules.

A recent study commissioned by VicHealth and carried out by Associate Professor Tony LaMontagne and colleagues, "Workplace Stress in Victoria: Developing" - a systems approach, shows how important job stress is to our physical and mental ill health. They show that job stress contributes up to one-third of cardiovascular disease in men and one-third of depression among women.

Crawley²⁶ which suggests that stress is a costly organizational problem. His study suggests, the challenge to organizations is to think and act differently in terms of “managing” and “stress”. It is necessary to understand that stress is not just the personal problem of the individual concerned; it is a problem also for the organization. The presence of stress management initiatives implies that management in some organizations *recognizes* some or all of the following:

- the negative effects of stress are initially experienced by the individual but they also have costly consequences for their organizations;
- stress is an unnecessary cost which must be reduced;
- people are a most valuable resource which must be supported and protected;
- Individual and organizational health is interdependent.

Environmental concerns outside the industry situation and community activities that promote good health at workplace: A look at the issues beyond the compliance factors.

While compliance factors largely matter and have been included in the acts and charters to promote WHP through legal procedures in each country wherein the specific industry or work center should have certain mandatory norms to follow for the safety of the workers and to reduce stress there has been less stress on noncompliance factors and it is this area which has actually matters in the longer run to establish environmental sustainability which will help promote healthy workplace and a healthy work culture.

Through their respective regulatory and economic environments, governments do much to influence the way that corporations address environmental challenges. The decisions that firms make in such environments, however, often tend to be reactive and conservative. Their objectives are simply to assure compliance with established standards, or to structure operations in ways that take full advantage of the incentives governments may have introduced to, for example, increase energy efficiency, recycling, etc.

Finding ways to induce companies to go beyond mere compliance (*i.e.* become more proactive), is a more daunting challenge that nonetheless deserves attention in view of the significant, positive effects that it could have on behaviour. In the past, oil spills, chemical explosions and other disasters have provided powerful catalysts that have worked to sensitize companies to the need to integrate social and environmental considerations more effectively into the way their businesses are run. Reliance on such catalysts obviously has downsides, however, and there are questions concerning the durability of the sensitivity over time, and the degree to which such sensitivity tends to penetrate an organisation.

It seems clear that economic interests can play an important role in driving proactive approaches to environmental challenges, and that this is an area which could be exploited far more effectively. These interests go far beyond the “win win” situations in which

reduced use of energy and materials enhances financial performance while diminishing environmental impacts. They also involve finding ways in which mandated environmental actions can be redefined in a corporate context into opportunities. This is being pursued by leading firms through the development of increasingly “holistic” environmental management systems which are being designed to enable companies to respond to the changing demands placed on them by society (*i.e.* governments and civil society alike) in an integrated – often anticipatory – manner.

Such behavior is providing opportunities for forward-looking firms to enhance their image – which can carry a substantial commercial benefit – and is enabling them at the same time to “cash in” on the growing consumer interest in “green” products, practices and processes. Internally, companies are finding that the more proactive approach has important spill-over effects on the workforce, particularly to the extent that it helps to attract, retain and motivate qualified workers. The more forward-looking and comprehensive approaches to environmental management are enabling companies to lower their exposure and risk to potentially damaging and costly incidents and situations involving the environment.

One of the ways that economic forces can play a greater role in stimulating proactive behaviour is by strengthening the linkages between environmental and financial performance. Investors, lenders and insurers are placing greater weight on environmental and social performance in evaluating investment opportunities, and are pushing the development of instruments which will enable interested parties to screen and monitor corporate performance more effectively in these areas. Interest in the linkage is likely to continue to grow as there is increasing evidence that firms which are leaders in environmental stewardship are increasing shareholder value more than those which have been less ambitious. Much more needs to be done, however, to explore and develop this linkage.

Promotion of transparency, standards, auditing and reporting on environmental matters is essential in this regard, as it will improve on the information that is needed to benchmark and evaluate performance. In addition, while voluntary agreements are not by themselves sufficient to improve environmental performance, it is clear that they can play an important role, by providing platforms through which industry can explore ways to address key issues, in specific areas. Governments can support initiatives in each of these areas, by encouraging and/or by assisting companies, or by going further by requiring that certain actions be taken. As indicated, however, whether, to what extent, and how government could or should intervene is dependent on individual circumstances. Whatever is done in these areas, it is apparent that regulation will continue to play an important role in modifying firm behaviour. When proactive firms improve performance, for example, regulatory standards can accordingly be raised to require laggards to improve their performance. In addition, regulation can be important in spurring innovation, by setting ambitious, realistic targets which challenge firms to explore new ways to tackle

environmental issues. In formulating such regulation, there is, however, a recognised need for, and value in, stakeholder dialogue.

There is, moreover, a corresponding need for consistency in regulation over time, and a need to avoid regulation that results in technology lock-ins. The ability to promote proactivity will also need to take a number of structural factors into account. Large enterprises with high environmental exposure appear to be particularly active, reflecting the higher risks that they face. Small firms, however, pose difficult challenges. Lack of information and understanding, as well as the costs associated with undertaking and maintaining initiatives represent important impediments. This is another area where the governments could play an important role – through technical and other forms of assistance that help smaller firms identify ways in which proactive environmental actions could improve overall firm performance²⁷.