

## Contemporary issues in UK business organisations: The implications for employee wellbeing

By Prof. Cary Cooper<sup>1</sup> and Prof. Les Worrall<sup>2</sup>

Over the last ten years, the pace and scale of organisational change in the UK has been both considerable and persistent as firms have continually had to adapt to rapid changes in their operating environments. Globalisation has had a major impact on many business organisations as profits have become harder to make in many businesses as margins have been squeezed. The increasing emphasis on 'efficiency' has, in both the private and public sectors, had the effect of causing most organisations to take out costs or, in some cases particularly in the private sector, to export production to lower cost, less regulated economies in Eastern Europe or the Far East. Our continuing research at the national level in the UK, has identified that persistent organisational change and adaptation have become the norm. In our 'Quality of Working Life' research (Worrall and Cooper, 1997, 1998a, 1999a, 2001a), we have identified that managers in UK businesses have experienced substantial change not only in organisational structures, but in the nature of their organisational lives. For example, in the utilities sector (gas, electricity, phone and water) in the UK, around 90% of managers reported each year that they had experienced some form of organisational change such as restructuring, downsizing, delayering, redundancy or merger. The incidence of organisational change was also found to be persistently high in the manufacturing sector, the financial services sector and the public sector (Campbell, Worrall and Cooper 2001; Worrall and Cooper, 1998b).

While there is a degree of inevitability about the extent and persistence of organisational change, our research has found that the effects of change on managers in the UK have been largely negative. Our research has led us to conclude that the process of change in many organisations is not well managed. We have found that change, particularly where delayering and redundancy are used as the means of bringing about change, can be very destabilising, can create a heightened sense of job insecurity and can bring about significant changes in employee wellbeing as evidenced by changed behaviours within and outside the immediate work place (Campbell, Worrall, L. and Cooper, 2001; Worrall, Cooper, and Campbell, 2000a,b,c).

It is also very clear that many organisations have tried to radically change their cost structures by transforming as much of their fixed costs as they can into variable costs. Given that the main fixed cost of many organisations is labour, there have been radical changes in the structure of employment in the UK. Many firms have

---

<sup>1</sup> Professor of Organizational Psychology and Health, Lancaster University Management School, Lancaster University, Lancaster, LA1 4YX, UK

<sup>2</sup> Prof. Les Worrall, Associate Dean (Research), Management Research Centre, University of Wolverhampton Business School, Telford Campus, Telford, TF2 9NT, UK

---

restructured to focus on their 'core businesses' in line with the mantra of the business gurus. Business units that were perceived to be non-core have, in many cases been outsourced and contracted back in. There has also been a significant increase in the number of contract staff, workers on fixed term contracts, the size of the 'contingent' work force and the number of self-employed consultants. In an era when there has been considerable attention on 'knowledge management' in UK organisations, it is perhaps surprising that many of the owners of that business knowledge have been made redundant or otherwise 'outsourced'.

Our research has also led us to conclude that many of the changes that have affected managers in the UK are likely to have caused a deterioration in the quality of their working lives. This deterioration, we argue has had the effect of changing the balance between workers' home lives and their working lives and increased levels of stress in the workplace as evidenced by increasing levels of workplace absence. For example, a recent report by the Confederation of British Industry (CBI, 2004) has revealed that absence from UK business organisations is increasing. In 2003-4, the total number of working days lost to absence increased with the total number of days lost rising from 166 million in 2002 to 176 million in 2003. The CBI, exhibiting a classical British ability for understatement, thought the cost of workplace absence to be 'worryingly high'. More important, their report attributed the rise to the fact that as costs rose relative to competitors overseas, many firms were forced to 'slim down' – a euphemism for making people redundant - and to conduct the same amount of work with fewer staff. This, they conceded, would have increased pressure on employees, affected morale and led to an increase in absence. Additionally, workers in the UK are acknowledged to have the longest working hours in Europe (Worrall and Cooper, 1999b, 2001b, 2001c).

The findings reported by the CBI in 2004 are entirely consistent with our longer term view of what is happening in UK business organisations. Indeed, our research has identified a number of trends that we also consider to be rather 'worrying'. First, we have identified a trend towards increasing 'work intensification'; second, we have identified that the long working hours culture is having a significant impact on many workers' non-working lives; we have found that continuous organisational change is affecting patterns in workplace behaviour and in some cases driving new forms of behaviour; and, we have also found that perceptions about organisational life vary considerably between those in the Board Room and those outside it. We will

briefly discuss some of our observations on the four themes and trends below.

The Quality of Working Life research has clearly identified that work has intensified over the last decade. At its most simple level, intensification means doing more with less but we have identified some variations on this theme. For example, while many firms have followed various business guru's mantras of delayering or downsizing or rightsizing, we have found that in many cases while workers have been 'got rid of', the work they used to do has either cascaded down the hierarchy or been absorbed further up the hierarchy. Consequently, the percentage of managers reporting increased work overload, increased role complexity, increased task variety, increased spans of control and shortage of resources 'to do the job' have all increased. In one study we have undertaken we identified 80% of senior managers in one organisation reporting that they were significantly overloaded with work (Worrall and Cooper, 2001b).

In addition to work intensification, we have also identified what we have labelled work 'extensification' - over 90% of managers in UK business organisations work substantially over their contracted hours –some excessively so. While some managers work long hours through choice and are able to exercise some degree of control over it, our research reveals that an overwhelming majority of managers work long hours because 'it is expected of them', because 'it is part of their organisation's culture' or because they need to in order 'to cope with the volume of work'. Significant proportions of UK managers report that working long hours has negative effects on their relationship with their partners, their children, their social lives, their psychological wellbeing and their physical wellbeing. Perhaps it is no surprise that the divorce rate in the UK is rising considerably and that the UK has one of the highest divorce rates in Europe.

Our research indicates that a high and persistent level of organisational change has brought about changes of behaviour in the work place. Levels of job insecurity seem to have risen generally but the sense of job insecurity has risen most in organisations where redundancy and delayering have been used as a means of implementing organisational change (Worrall, Cooper and Parkes, 2004; Worrall, and Cooper, 2004). When job insecurity rises, we have found that the level of 'presenteeism' rises. 'Presenteeism', where workers are conspicuously present in an attempt to convince senior managers of their indispensability, we consider to be a fear driven response where workers try to ensure that they are not part of the next tranche of redundant

workers. Examples of presenteeism include getting into work before the boss and leaving after him/her; working very long hours; and, in one case we became aware of, sending faxes to 'the boss' clearly time stamped in the early hours of the morning. While some behaviours seem to be geared to keeping oneself in a job, others – notably 'downshifting' – occur when other workers simply decide they have had enough and opt out to do something different.

An interesting finding of our research is that managers' perceptions of organisational change vary dramatically with their position in the organisational hierarchy. More worryingly, we have found that there are very fundamental differences in the opinions of directors in the Board Room and managers in the rest of the organisation. Over the last few years, the UK has been characterised by widening disparities in the remuneration of those in the Board Room and those outside it. The news media in the UK is replete with stories of 'fat cats' in the Board Room being awarded huge salary increases and share options worth multiples of their salaries as workers are being made redundant and, in some cases, the share prices and market valuations of firms decline. Our research (Worrall and Cooper, 2004) has, for example, revealed that while directors in the Board Room think that organisational change had led to increased productivity, increased profitability, increased employee participation in decision making and faster decision making, other managers in those organisations tend to disagree on all of these measures. Our research is leading us to believe that in many cases, those in the board Room and those outside the Board Room inhabit different worlds.

After many years of research, we are led to conclude that there are many 'worrying' trends in UK business organisations. There seems to be little doubt that employment has become less secure, more unstable but far more flexible – particularly from the employer's perspective. Work has both intensified and extensified for many workers: roles have become more complex; spans of control have increased; task variety has increased and managers have become increasingly overloaded with information and with work. The effects of these changes and more turbulent organisational dynamics has brought about changes in workplace behaviours and shifted the work-life balance of many employees. We argue that managerial work has become much more stressful and much more precarious. Perhaps a comment from one of our interviewees might be a fitting way to close this editorial:

*I am overloaded, stressed, and have a family and home to look after as well. My work is not recognised by my family or at work and if I could get out and go away I would but I am trapped. I think I will get ill, multiple sclerosis or cancer or something like that due to stress. I get up at 6am, work all day, all night and get finished at 11.30 at night. I work 60 hours at least on work alone – I'm not joking.*

## References

- Campbell, F. K., Worrall, L. and Cooper, C. L. (2001) Downsizing in Britain and its effects on survivors and their organizations *Anxiety, Stress and Coping* 14(1) pp. 35-58.
- CBI (2004) Room for improvement: CBI absence and labour turnover 2004. Confederation of British Industry; London.
- Worrall, L., Cooper, C.L. (1997), *The quality of working life: the 1997 survey of managers' experiences*, Institute of Management Research Report, Institute of Management, London.
- Worrall, L., Cooper, C.L. (1998a), *The quality of working life: the 1998 survey of managers' experiences*, Institute of Management Research Report, Institute of Management, London.
- Worrall, L., Cooper, C.L. (1998b), "Change, don't tell the boss", *Mastering Management*, Financial Times, London.
- Worrall, L., Cooper, C.L. (1999a), *The quality of working life: the 1999 survey of managers' experiences*, Institute of Management Research Report, Institute of Management, London.
- Worrall, L. and Cooper, C. L. (1999b) Working hours and their impact on managers *Leadership and Organization Development* 20(1) pp. 6-10.
- Worrall, L., Cooper, C.L. (2001a), *The quality of working life: the 2000 survey of managers' experiences*, Institute of Management Research Report, Institute of Management, London.
- Worrall, L., Cooper, C.L. (2001b) The long working hours culture: an exploratory framework *Work, Employment and Society Conference* Nottingham, UK, September.

- 
- Worrall, L. and Cooper, C. L. (2001c) Managing the work-life balance *European Business Forum* Issue 6(Summer) pp. 48-53.
- Worrall, L. and Cooper, C. L. (2004) Managers, hierarchies and attitudes: a study of UK managers *Journal of Managerial Psychology* 19(1) pp. 41-68.
- Worrall, L., Cooper, C. L. and Campbell, F. K. (2000a) The impact of redundancy: perceptions of UK managers *Journal of Managerial Psychology* 15(5) pp. 460-476.
- Worrall, L., Cooper, C. L. and Campbell, F. K. (2000b) Perpetual change and employment instability: the new reality for UK managers *Work, Employment and Society* 14(4) pp. 647-668.
- Worrall, L., Cooper, C. L. and Campbell, F. K. (2000c) The impact of organisational change on the work experiences and attitudes of public sector managers *Personnel Review* 29(5) pp. 613-636.
- Worrall, L., Cooper, C. L. and Parkes, C. (2004) The impact of organisational change on the experiences and perceptions of UK managers from 1997-2000 *European Journal of Work and Organizational Psychology* 13(2) pp. 139-163.