



# Research Bulletin

Issue 2 February 2003

Organisations and people working better together

ICAS is committed to remaining at the leading edge of the Behavioural Risk Management (BRM) field. As part of this commitment, ICAS has established a Research Division charged with monitoring emerging research findings relevant to BRM, and ensuring that ICAS remains at the forefront of new trends and developments in the field.

This Bulletin, the second in the series, has been compiled to keep ICAS clients informed about current issues and emerging trends in the field of BRM, and providing an overview of the areas currently being examined by the ICAS Research Division.

Bulletin compiled by Dr. Lee Senior, Head of ICAS Research Division

**CONTENTS**

**BEHAVIOURAL RISK MANAGEMENT: AN INTRODUCTION**

- Developments in the Field of Risk Management . . . . . 4
- Managing the Risks to Human Assets . . . . . 5
- Developments in the Field of Employee Assistance . . . . . 6
- The Risks Facing the Organisation . . . . . 7
  - Global Risks . . . . . 8
  - The New World of Work . . . . . 8
  - Organisational Risks . . . . . 8
  - Behavioural Risks . . . . . 8
- Behavioural Risk as a Productivity Issue . . . . . 9
- The Focus on Prevention . . . . . 9
- Employee and Organisational Behavioural Risks . . . . . 9
- The Behavioural Risk Management Process . . . . . 10
- Conclusion . . . . . 10

**THE CHANGING PSYCHOLOGICAL CONTRACT AT WORK**

- The Psychological Contract: A Definition . . . . . 11
- The Old Psychological Contract . . . . . 11
- The New Psychological Contract . . . . . 12
- Psychological Contract Violation . . . . . 13
- Managing the New Employment Relationship . . . . . 13

**TRENDS IN WORKPLACE HEALTH PROMOTION . . . . . 15**

**UPDATE: EAP OUTCOME STUDIES . . . . . 17**

**REFERENCES . . . . . 19**

## BEHAVIOURAL RISK MANAGEMENT: AN INTRODUCTION

### Part One of a series of articles on Behavioural Risk Management

As the Information Age has evolved, knowledge creation has supplanted physical assets as the major contributor to business value within an organisation. People and the way they work together have become an organisation's greatest assets and are essential to the success of many organisations. At the same time, the risks confronting employees and the organisations within which they work have never been as grave. Behavioural Risk Management applies to risks connected with the workplace behaviours of employees and organisations that have a negative impact on the productivity of an organisation. Given that so much of the value of our organisations is wrapped up in our people, behavioural risk management has a significant role to play in any organisation's management strategy.

Behavioural Risk Management (BRM) is an applied risk management strategy that is concerned with "the assessment of and intervention into the individual, interpersonal and organisational factors that lead to financial and productivity loss in a work organisation" (EAPA, Behavioural Risk Management Committee, 1997). Behavioural Risk Management focuses on avoiding preventable losses in the workplace and achieving lower overall costs and, as such, has a strong element of "bottom-line focus" (McNamee, 1998).

### Developments in the Field of Risk Management

Following September 11th and the more recent, very public demise of some large corporations, the levels of risk in the world have moved into uncharted territory. Organisations are recognising that unmanaged risk may be the greatest source of corporate malfunction. Risk is now high on the corporate agenda and we are embedding risk management into our everyday business lives. We have entered a period in which a culture of risk awareness must be established within organisations worldwide.



The practice of risk management has grown rapidly over the past decade, gaining speed in the new millennium. Drennan (2001) highlights the factors that have been driving such growth: Insurance premiums in the area of employment risk have been rising substantially in recent years, as increasing awareness on the part of employees of their 'rights' to compensation has been associated with higher compensation awards. Insurers' reduced capacity or withdrawal of cover has led employers to focus more strongly on prevention and early detection (Drennan, 2001). Employers are more aware of the enormous costs - particularly hidden costs - of risk, and are realising that

adopting a proactive response to risk management substantially reduces the total cost of risk. Government legislation, codes of practice and standards have all acted as drivers for the implementation of risk management.

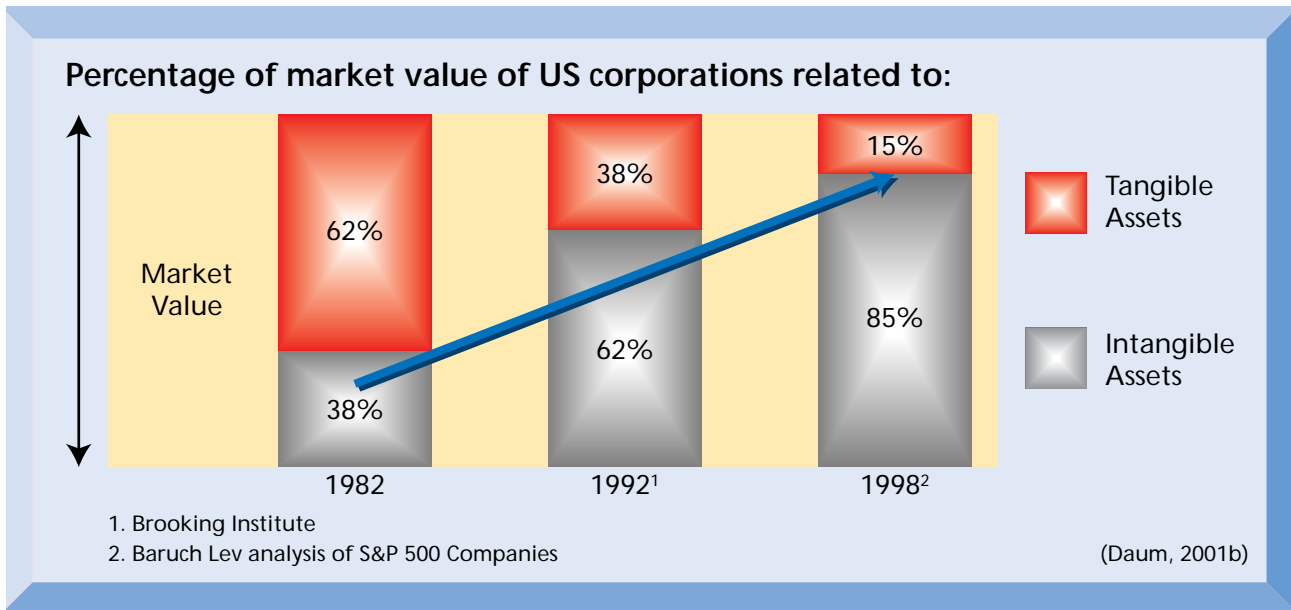
In the UK, corporate governance issues have helped to focus attention on strategic risk management. A series of reports, from Cadbury in 1992 to Turnbull in 1999, have sought to guide companies on effective internal controls and to bring to the attention of boards of directors their responsibilities for ensuring that all the risks that the company faces are comprehensively dealt with (Drennan, 2001). As a result of the Turnbull Report, a company board must be aware of the risks the company faces across the enterprise—and the steps being taken to minimise those exposures. Companies should have an "embedded" internal-control system to monitor any risks "significant to the fulfillment of a company's business objectives". Nigel Turnbull suggested that companies that embrace risk management will be more effective in dealing with the challenges and opportunities they face than companies

that do not. Following the Turnbull Report, there has been increasing need and pressure for companies to manage their risks proactively and effectively.

The growing prominence of risk management, and the changes in the risk management paradigm are at least in part a result of rapid changes to the world of work. The early years of the 21st century are proving to be a period of profound transition, with increasing trends towards globalisation, rapid technological innovation, electronic commerce, organisational restructuring, including widespread downsizing, mergers and acquisitions, an integrated approach to organisational management and substantial shifts in the nature of careers, job security and the psychological contract at work. The uncertainty of the work environment makes it increasingly important to effectively manage business risk. As the Institute of Internal Auditors points out, "the same technological advances that have delivered a smarter, faster, cheaper work product have necessitated enhanced controls and business practices to protect the organisation's assets, secure its information, and safeguard its future".

## Managing the Risks to Human Assets

It is also apparent that the nature of the risks that must be managed is changing. With the proliferation of service, technology and other non-physical asset based organisations, human assets constitute a substantial, if not major, portion of these new economy organisations. Much of the value of organisations in a knowledge-based economy is wrapped up in employees and their ideas, as opposed to physical assets (Zimmerman, 2001). Information and the people that create and use it have become far more important than the computers or building that house them (McNamee, 1997). As recently as 20 years ago, the value investors placed on the nation's major corporations was roughly equal to the worth of all their factories, machinery, vehicles and so forth. Today, physical assets account for less than one-fourth of the value of the corporate sector. Some estimate that intangible assets—including employees and their ability to do the things that ultimately make the company work and succeed - could make up more than 80 percent of a company's value (Daum, 2001a; Bates, 2002).



Low (1999) reports that a company's people account for 50% of organisational performance. Not only do a company's people create value, they are highly valued themselves (Low, cited in Zimmerman, 2001). Cultivating human capital is recognised by today's business leaders as a critical component of organisational success and retaining good people, and ensuring that they remain optimally functional, is

capital and the fact that business success today demands the effective management of human capital (Attridge, 2001). "Human capital is the ultimate leading investment" (Huselid, cited in Bates, 2002). Watson Wyatt's most recent Human Capital Initiative European Survey Report (2002) confirms the relationship between the effectiveness of a company's human capital and shareholder value creation.

increased. People assets are prone not only to physical risks, but to non-physical risks. People risks are often subtle and complex and may be more difficult to measure and to manage (McNamee, 1998).

There has been increasing recognition, within the Risk Management profession, of the need to focus on people risks within the workplace.

TANGIBLE ASSETS		INTANGIBLE ASSETS	
Financial	Physical	Human	Organisational
Financial Risk	Hazard Risk	Behavioural Risk	E.g. Reputational Risk

(Adapted from McNamee, 1998)

undisputedly important (Low, 2001). Increasingly, the value of human assets and their continuing successful management is a measure of sustainable competitive advantage as well as an indicator of overall organisational performance. Employers and the business community have been focusing more and more attention in recent years on the concept of human

If we regard people as important organisational assets, however, we must recognise that as such, they are subject to risk and are therefore capable of creating adverse consequences for the organisation when those risks materialise (Pike, 2001). The potential for employees to cause productivity and financial losses to an organisation has sharply

Managing people risks is destined to become an integral part of the process of risk management (Edelsten, 2001). An Employment Risk Survey, conducted jointly by Marsh U.K. Ltd. and the Division of Risk, Glasgow Caledonian University, in 2001 clearly demonstrated how high a priority employee risk management has become for organisations in both the

public and private sectors. Survey results indicate that organisations are investing more in managing their employment risks – 70% of public sector and 50% of private sector respondents stated that resources allocated to this area had increased or drastically increased, most commonly as a result of the influence of legislation, government directives and audits. Notwithstanding, a substantial proportion of respondents - 7 out of 10 private sector and 8 out of 10 public sector company executives - admitted that they need to do more in terms of employee risk management. At the same time, employers are increasingly recognising that concepts of employee well-being must encompass not only physical aspects, but also psychological dimensions. The focus on psychological factors is evidenced in the fact that 70% of respondents identified stress as the risk most likely to increase in the next five years. Similarly, a survey of members of the Association of Local Authority Risk Managers (2000)

revealed that 85% of them include workplace stress among the top-10 most important emerging risks and an AIRMIC survey in 2000 indicated that 88% of risk managers predict that stress will increase as a risk factor in the future. The Marsh/Glasgow Caledonian report estimates that better management of employee risks, particularly stress and absenteeism, could save UK employers at least £1.5 billion per year.

The ninth annual survey of Fortune 1000 corporate security professionals conducted by Pinkerton Consulting & Investigations, the largest US security services company, (Fortune 1000 Top Security Threats Survey, 2002) found that many of the leading threats facing US businesses are behavioural in nature and pertain specifically to employees. While terrorism and its effects are increasing concerns this year, the survey shows that workplace violence remains the most important security threat to America's largest

corporations. In recent years, the survey has highlighted increasing concerns about a range of employee-related threats.

Given that organisations are now thinking more broadly about the risks that they face and are increasingly focused on managing the value of the human assets within their organisations and addressing growing exposure from employee risks, it is clear that Human Resources (HR) considerations will have greater prominence and that HR professionals will make an important contribution. HR professionals are in a key position to assist the organisation to highlight the areas of employee risk and the issues that impact upon people within the organisation. Several authors (e.g., Edelstein, 2001; Nickson, 2001; Wojcik, 1997) have addressed the need for risk management and HR to collaborate in protecting the organisation's most valuable resource – the people who work for it.

## Developments in the Field of Employee Assistance

**These developments are matched by a step change among EAP market leaders who now see it making far more sense to support a client organisation, not simply at the remedial end of the spectrum, but with training, planning, policy development and audit. Over sixty years, EAPs have grown in scope, evolving from their initial singular focus of treating chemically impaired employees, to incorporating a broad spectrum of clinical services and organisational tools for promoting productivity. They have now emerged universally not only as a part of HR and Occupational Health provision but as a key ingredient in the Risk Manager's toolbox. The primary motivating factors for the introduction of EAPs have changed substantially. In the past, EAPs were introduced into many organisations primarily in response to perceived needs of employees and as a demonstration that they were caring and responsible organisations who were concerned about the welfare of their employees. There has, however, been a shift away from a purely humanistic or welfarist orientation to one driven by economics. Organisations now recognise that by helping employees to cope with stress and personal difficulties, they can reduce absenteeism, improve morale and ultimately boost productivity and profitability.**

EAPs have historically been effective at helping employees resolve personal behaviour problems. In reality, however, it is a combination of organisational, personal and interpersonal or group risk factors that leads to such behaviours (Yandrick, 2002). Behavioural problems may be a manifestation of systemic dysfunction within the work organisation. There is a move within the EAP profession towards investigating the role of the workplace in triggering personal problems and intervening with organisational issues that cause or instigate outbreaks of behaviour problems (Yandrick, 2002). Shifts in EAP core technology reflect the

changing scope of EAP intervention. The work environment as well as the troubled employee are targets for intervention and EAP professionals are expanding into organisational development and moving into a more consultative role. For a handful of providers, the EAP now represents as much a focus on the needs of the employer as the employee. In the process, some organisations have shifted their EAP perspective quite sharply from its role in damage limitation to make it a core component in a comprehensive strategy which embraces the preventive and systemic aspects of risk management as well as the

purely remedial (Reddy, personal communication, 2003).

The Behavioural Risk Management which Yandrick in 1999 termed "the pathway to the future of employee assistance" is now a present-day reality where the quality provider has a range of specialist psychological skills to deploy. Employee assistance professionals are in a unique position to assist risk managers and human resource practitioners in their bid to better identify and manage employee behavioural risks, thus reducing exposure to loss. The confidentiality that EAPs afford their clients doubles as a powerful risk identification tool

(Feerst, 2001). The confidential information available to EAPs from counselling utilisation statistics allows for early identification of areas of emerging risk within the organisation. Data generated on employee and dependent risks and risk exposures may be used to identify and help resolve organisational or systemic problems (Yandrick, 1995). EAP services are available to all employees within the organisation, which means that the EAP has access to, and the opportunity

to build relationships with, a broad spectrum of managers and employees across the organisation. The EAP's ability to integrate itself within the organisation allows it to effectively penetrate the organisation and target behavioural risks with ongoing programmes of prevention and intervention strategies (Feerst, 2002a), thus helping the organisation to control its financial and productivity losses (Yandrick, 1999). The EAP can make an invaluable contribution in tracking behavioural risk trends within

the organisation, including gauging employee morale, supervisor concerns and needs, behavioural risk exposures, emerging exposures, known losses and 'close calls' (Feerst, 2002b). In an article published in the National Underwriter, Edwards (2002) emphasised the growing need for risk managers to evaluate the application of EAPs within their organisations, particularly given that EAPs can assist the organisation to be proactive and reactive at the same time.

## The Risks Facing the Organisation

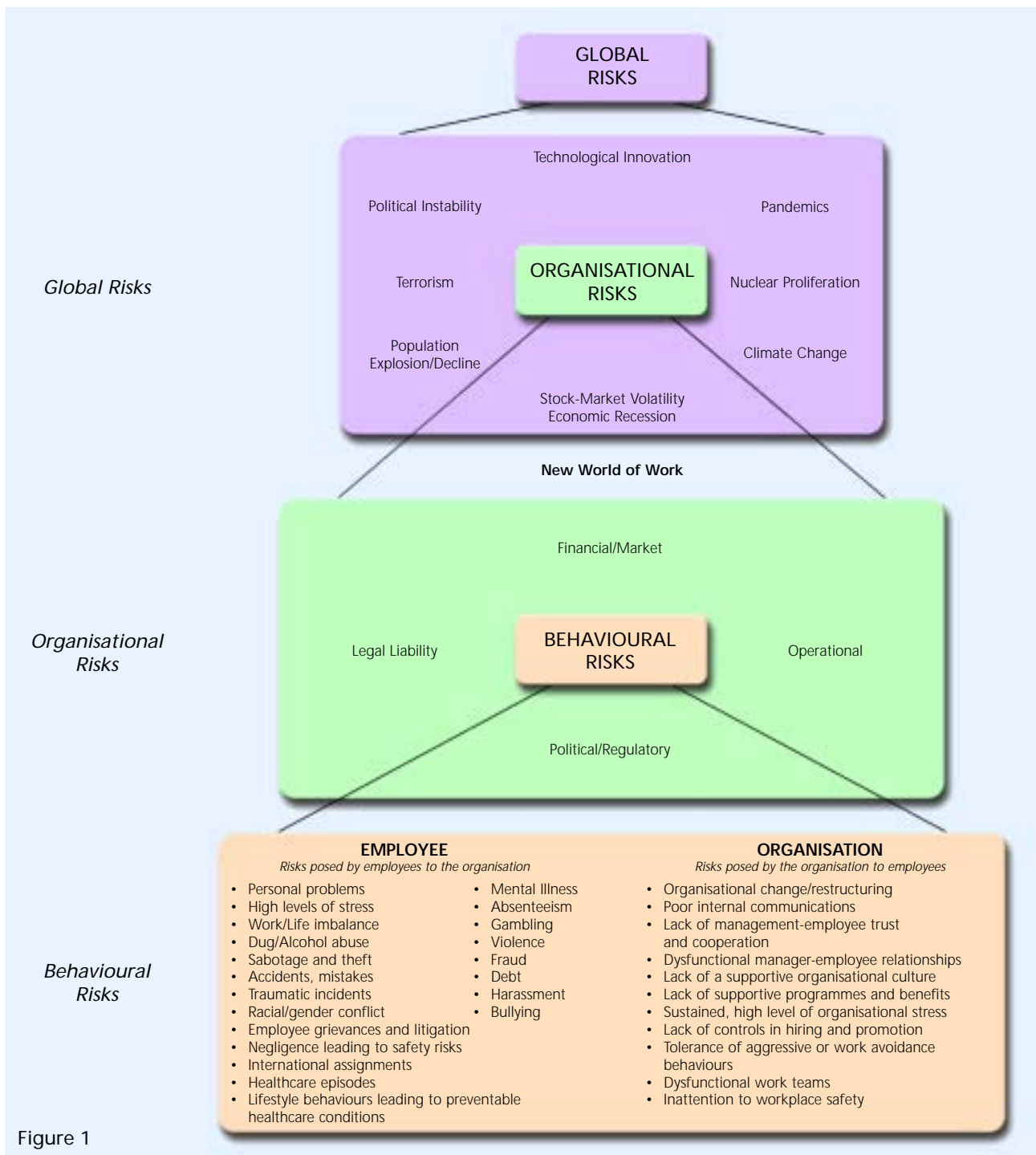


Figure 1



## Global Risks

Figure 1 depicts the spectrum of risks affecting the organisation. The outer layer of risk is global – encompassing those uncertainties that are seldom “manageable” but impact in varying and significant ways on the organisation (Kloman, 2001). In the 21st century, technological innovation is explosive and on a dramatically steep gradient. Pandemics affect employees, customers and infrastructures (Kloman, 2001). AIDS has reached almost every country in the world and is a serious threat to the health of humans globally. At the end of 2001, an estimated 40 million people globally were living with HIV. AIDS will impact profoundly on the business world, in terms of the human, financial and social costs to its operations and host communities (See ICAS Research Bulletin Issue 1, 2002). Malaria kills 3,000 people a day and new antibiotic-resistant strains of tuberculosis threaten millions (Kloman, 2002). Political instability and violence are an omnipresent threat, and religious fundamentalism and acts of terrorism cause turmoil from Washington to Bali. Nuclear expansion and the risk of nuclear mistakes remain. The world population continues to rise. The signs of global warming are ominous, disease and famine remain uncontrolled and the gap between rich and poor widens. A global recession commands economic headlines and international stock markets remain volatile (Kloman, 2001, 2002).

*“Not only are organisations dynamic, and in a constant state of change, so too is the environment in which they operate and, consequently, the risks they face. The need is therefore for imagination and vision. The ability to look ahead, both at potential changes within the organisation and in the external arena - political, economic, social, technological, environmental and legislative - which might alter the risks faced (Drennan, 2001)”.*

## The New World of Work

Global changes are reflected in an evolving world of work, where change is ubiquitous and unpredictable. The pace of economic globalisation is accelerating as cross-border transactions and aggregations proliferate and technological advances create ‘commerce without borders’. The global restructuring of production, a shift in focus from the manufacturing sector to the services sector and the prevailing recessionary climate have meant the loss of jobs for many. Patterns of employment have changed and there has been a shift towards a contingent workforce, with many working on a freelance or short-term contract basis (Cooper, 1999; Sutherland & Cooper, 2000). Increased work targets, threats to job security, organisational restructuring, changes in employees’ responsibilities, shifts in the balance of power, and general upheaval are all features of today’s work environment (McHugh, 1997). A by-product of this trend is that

behavioural risks and people-related business losses are increasingly becoming more of a concern.

## Organisational Risks

The global risks outlined above, and risks deriving from the New World of Work surround a range of ‘organisational risks’, a comprehensive examination of which is beyond the scope of this paper. Kloman (2001) emphasises that all risks are interconnected and need to be approached holistically: “an employee mistake results in injury to other employees, damage to property, owned and others, liability lawsuits, crackdowns from regulators and inspectors, and possible reductions in liquidity and the creditworthiness of commercial paper”.

## Behavioural Risks

The term ‘behavioural risks’ refers to the risks posed to the human resources of the organisation in their daily job interactions, as well as the risks to the organisation that result from human behaviour at work. Much of the risk that employees pose to the organisation results not from the potential for some single catastrophic incident, but from the sheer volume of everyday losses that are characteristic of employed populations. Behavioural risks are perhaps the most varied and complex risks faced by the organisation and the most difficult to manage (McNamee, 2000). Many behavioural risks constitute ‘sleeping exposures’, risks to the organisation that are not readily apparent or foreseeable (Feerst, 2002b). Yet behavioural risk exposures often impact profoundly on organisational functioning and productivity. Every organisation has experienced the disruption that can occur when behavioural risks are not properly managed.

The diagram includes a list of individual and organisational risks adapted from Rudy Yandrick’s 1996 book, Behavioural Risk Management. While the list is by no means comprehensive, it includes those risks to which employees and organisations tend to be most vulnerable.

One of the most accessible measures of behavioural risk exposure is absenteeism figures. The Chartered Institute of Personnel and Development (CIPD) Absence Study in 2002 found that an average of 10 working days per year were lost per employee. According to the Confederation of British Industry (CBI), absence cost UK employers 11.8 billion pounds last year—up a massive 1.1 billion pounds from the previous year.

There is a growing body of literature demonstrating the impact and cost of depression in the workplace. Findings of a recent study conducted by Druss et al. (2001) of the Yale School of Medicine suggest that depression has a substantial and persistent association with decreased workplace productivity, an impact that may be underestimated

when looking only at days missed from work.

Rising levels of workplace stress is another significant behavioural risk. 70% of respondents to the Marsh survey cited above identified employee stress as the risk most likely to increase in the next five years. A recent survey of members of the Association of Local Authority Risk Managers revealed that 85% of them include workplace stress among the top-10 most important emerging risks. The HSE estimates stress related illness costs employers around £370 million while the cost to society as a whole could be as high as £3.75 billion. Organisations suffer business loss through lost working days, absenteeism, staff turnover, and the associated costs of training

replacement staff and the added burden placed on the colleagues of absent or under-performing staff.

Litigation is also on the increase, with successful compensation claims being made for psychological disorders suffered as a result of work experiences. Many unions have reported that stress claims are representing the largest increase in personal injury claims. According to the TUC, compensation claims from employees suffering from stress totalled 6,428 in 2001, a 12 times increase on the 2000 tally of 516. Overall, companies paid out £321 million. It has been estimated that better management of this employment risk could yield savings of at least £1.5 billion across the UK.

## Behavioural Risk as a Productivity Issue

Despite increased interest in exposure to behavioural risks, managers have tended to view them as risks primarily in terms of legal liability and safety (Daniels, 1996), rather than as productivity issues. Behavioural risks

affect performance, threatening to drive up costs and drive down productivity. There is empirical evidence for the link between behavioural risk and productivity. For example, Bennett and Lehman (1999) examined

employees' exposure to co-worker behavioural problems (harassment, violence and substance abuse) and found that decreased behavioural risks are associated with a work climate that supports productivity.

## The Focus on Prevention

### “An ounce of prevention is worth a pound of cure”

Risk management has progressed from its traditional reactive stance and moved into an era of preventive action and avoidance of risk. Similarly, Behavioural Risk Management reflects a shift from damage control towards an attempt to arrest social, psychological, financial, legal and

health problems before they progress into productivity problems. Behavioural risks often develop gradually, almost unseen. They are eventually recognised as “a problem,” but often at a stage where an easy remedy is not possible. As a result, the ability to anticipate and take steps to avoid

these risks is important. Behavioural Risk Management promotes a culture of risk prevention and encourages proactive practices that reduce the cost of people risk, as well as interventions that are geared towards managing or reducing the impact of existing risk factors.

## Employee and Organisational Behavioural Risks

Behavioural Risk Management addresses global behavioural risks in all their permutations. A BRM strategy incorporates both personal risk factors and system factors that contribute to behavioural risk costs. It is about controlling the risks of employing people and about identifying and addressing organisational practices that allow, or even foster, behavioural risks (Reddy, 2002). Yandrick (2002) points out that it is a combination of organisational, personal and

interpersonal or group risk factors that lead to behavioural problems in the workplace. Consider the following hypothetical scenario: Downsizing has become the strategy favoured by many companies attempting to cope with changes in the world economy. Poorly managed redundancy programmes may lead to stress and overload among surviving managers, who are compelled to cope with increased workloads, new responsibilities and the task of



managing an anxious and resentful surviving workforce. A vulnerable manager's long hours away from home and increased levels of stress may contribute to marital tension and the manager may resort to dysfunctional means of coping with these personal problems – such as abusing substances

– which compromises his performance and productivity and puts himself, his colleagues and the organisation at risk. Organisational and individual risk factors may have a reciprocal relationship: broader systemic factors play a role in the development of an employee's behavioural difficulties,

while an employee's behaviours may, in turn, place the organisation at risk. BRM focuses around managing both the risks to employees from a dysfunctional work environment, and the risks to the organisation from employees working in such an environment.

## The Behavioural Risk Management Process

**Like any risk management discipline, Behavioural Risk Management involves a process that begins by measuring the problems and using that as the basis for implementing the most effective solutions (Keen, 2000).**

Behavioural Risk Management is a multistage undertaking. The process of successfully managing behavioural risks and containing business costs must begin with an attempt to quantify the organisation's behavioural risk exposures and assess the degree of risk. This is accomplished by means of an organisational audit or behavioural risk analysis. The purposes of the analysis include: identifying the presence of risk factors (both personal and organisational) in the workplace; measuring and obtaining a baseline of these risk factors; evaluating the current costs of these risks; reviewing programmes, policies and services that affect these risks; and appraising the effectiveness of existing programmes and strategies for minimising these risks. Organisational audits can reveal how and where to concentrate resources to maximise changes in behaviour (Yandrick, 1997b).

A comprehensive behavioural risk analysis incorporates both quantitative and qualitative measures. The EAP is an

invaluable source of information – both quantitative and qualitative – as utilisation themes and trends may highlight areas of risk within the organisation. Objective data may also be derived from personnel files and from absenteeism, accident, injury and disciplinary figures, healthcare utilisation and cost figures. Valuable qualitative information may also be drawn from employee and management surveys, interviews and focus groups. Exit interview material may prove to be another fruitful source of information. Specific behavioural risk analysis instruments may also be employed. A comprehensive behavioural risk analysis should penetrate into every aspect of an organisation's operation (Reddy, 2002). From this information, an assessment of the highest probability risks, and the potential impact on the organisation should those risks materialise, can be made. An important facet of such an analysis is benchmarking, which provides a way of establishing baselines or norms for

both risk factors and costs. These baselines may be established within an organisation or be used to benchmark an organisation against others in the industry for the purpose of providing information for decision-making.

Managing behavioural risk means acting on the results of the risk assessment to emphasise prevention of behavioural risk events or early detection and intervention if these events occur. Intervention and prevention strategies should be tailored to the organisation's high risk, high cost areas and available resources. Strategies should target both individual employee behavioural risks and risks deriving from the organisation as a system. Behavioural Risk Management is an ongoing process. Once the intervention has been implemented and strategies have had time to be effective, the process begins again. A new analysis will evaluate the cost and effectiveness of the most recently implemented Behavioural Risk Management strategies.

## Conclusion

Managers put assets at risk to achieve objectives. While responsible organisations put measures in place to contain risks, the demands of the modern business world suggest that today's employees – the organisation's most valuable assets – will inevitably confront behavioural risks. The scientist who developed the Saturn 5 rocket that launched the first

Apollo mission to the moon put it this way: "You want a valve that doesn't leak and you try everything possible to develop one. But the real world provides you with a leaky valve. You have to determine how much leaking you can tolerate." (Obituary of Arthur Rudolph in the New York Times January 3, 1996). Behavioural Risk Management examines the safety

valves built into the workplace – what they are and how well they are used by employees – and ensures that additional safety valves are introduced as needed. It is an approach that ultimately benefits the organisation, the individual, and the bottom line and should play a significant role in any organisation's risk management strategy.

## THE CHANGING PSYCHOLOGICAL CONTRACT AT WORK



In the workplace of the 21st century, perpetual change is the only constant. Change is ubiquitous and unpredictable; markets are unstable; technological innovation is explosive and on a dramatically steep gradient; hierarchies change into networks, bosses to coaches, and jobs into ever changing bundles of shifting task assignments (Krantz, 1998). There has been a significant change in the nature and process of the employment relationship in organisations and the established psychological contracts between employees and their organisations are evaporating.

The perpetual use of downsizing strategies has forced a change in existing concepts of work and job security as they have meant a transformation of the employment relationship that was once based on security of employment in return

for loyalty and commitment (Herriot & Pemberton, 1995). It has altered the rules of the game that has traditionally been adhered to by organisations and employees alike (Hirsh, Jackson & Jackson, 1995 cited in Doherty, 1996).

### The Psychological Contract: A Definition

The psychological contract between employer and employee is seen as a set of unwritten reciprocal expectations, beliefs, or perceptions that characterise both mutual behaviour delivered within the employment relationship and implied obligations or promises (Morrison & Robinson, 1997; Rousseau,

1989). In layperson's terms, the psychological contract refers to, "the unspoken promise, not present in the small print of the employment contract, of what the employer gives and what employees give in return" (Baruch & Hind, 1999: 299). From a functional viewpoint, psychological contracts

accomplish two tasks:

- 1) they help to predict the kind of outputs which employers will get from employees; and
- 2) they help to predict what kind of rewards the employee will get from investing time and effort in the organisation (Hiltrop, 1996).

### The Old Psychological Contract

The traditional unwritten 'psychological contract' between employer and employee was based on mutual commitment and loyalty and offered the promise of life-long employment (Baruch & Hind, 1999). The old deal was that if the employee was a good soldier, giving the organisation effort, energy, conformity and unwavering loyalty, then the organisation would reciprocate by caring for the employee and providing security in the form of 'reasonably permanent employment' (Cooper, 1999; Stoner & Hartman, 1997). Employers assumed a paternalistic and benevolent role and employees would blindly trust their careers to the company that was expected to care for their financial and social welfare (Baruch & Hind, 1999; Henkoff, 1994; Noer, 1994). In the current climate of change, the traditional contract of long-term job security in return for hard work and loyalty may no longer be valid

(Sims, 1994). Many people who came into their organisations with expectations of long-term career progress are finding this unmatched

by reality – there are fewer "jobs for life" and more exits taking place well before retirement (Peiperl & Baruch, 1997).



## The New Psychological Contract



The conforming, loyal organisation man of the 50's and 60's has given way to the authorised, risk-taking, enterprising employee of the new millennium (Krantz, 1998). A new employment contract has taken hold in which employment is situational and employees replace loyalty to an organisation with loyalty to one's work (Noer, 1994). There is a strong move towards autonomy and a paradigm shift in which employees are independent charters of their own careers. The new psychological contract calls for the employee to develop

Hind, 1999; Henkoff, 1994). A "self-reliance" orientation increasingly pervades the employment relationship (Hiltrop, 1996).

There is a shift towards breaking the dependency of employees on the organisation and encouraging among employees a capacity to take care of themselves. The paternalistic, dependency-meeting and care-taking function of the organisation has been superseded by a partnership between organisation and employees, in which the organisation clarifies expectations and makes support structures available to employees, who, in turn, assume responsibility for monitoring their own physical and emotional well-being, seeking out assistance when needed and ensuring that they present themselves for work in an optimum state of physical and emotional well-being.

The new type of contract places an emphasis on development and

need for their services (Handy, 1989). While organisations can no longer guarantee employment, they offer resume-able experience that will strengthen one's hand in the labour market (Krantz, 1998).

Under the new deal, employees offer long hours, take on added responsibility, provide broader skills and tolerate change and ambiguity. Employers offer better remuneration, reward for performance, flexibility and the opportunity for life-long learning and development (Herriot & Pemberton, 1995).

Many employees embrace the new arrangement, with its greater freedom, flexibility, responsibility and opportunity for psychological success (Hall & Moss, 1998). However, the new psychological contract is not always welcomed by employees, particularly those who grew up with the idea of loyalty and mutual commitment and who expect a long-

### Old Contract

- Long-term
- Security
- Predictability
- Equality
- Certainty
- Tradition
- Fairness
- Stability
- Interdependence
- Mutual trust
- Company loyalty
- Doing well
- Shared responsibility
- Title and rank
- Pay for status
- Tolerance
- Mutual respect

### New Contract

- Immediate results
- Flexibility
- Uncertainty
- Individuality
- High risk
- Constant change
- Personal gain
- Employability
- Self-reliance
- Opportunism
- Professional loyalty
- Doing better
- Personal accountability
- Making a difference
- Pay for results
- Impatience
- Fear

*From: Hiltrop, 1996. (Key words used by 104 middle managers to describe the relationship between employer and employee)*

new competencies related to the management of self and career, including self-knowledge and adaptability (Hall & Moss, 1998). Workers value themselves based on their own good work and skills, not on organisational approval. It is a world of empowerment and continuous responsibility for self-development on the part of the employee (Baruch &

professional growth. The company should invest in the training of their employees and provide them with opportunities for continuous learning and development in order that employees develop a "portable portfolio" of skills (Baruch & Hind, 1999). In this way, they will be able to find alternative employment in the event that the company has no further

term employment contract (Baruch & Hind, 1999). They may find the autonomy and lack of external support terrifying (Hall & Moss, 1998). Krantz (1998) asserts that the new world of work – including the profound uncertainty and turbulence that characterises the world in which all of this work occurs - elicits deep and disorganising anxieties for many people.

## Psychological Contract Violation



The current state of turbulence and uncertainty has made it difficult for organisations to fulfill all of the obligations that they make to employees (McLean Parks & Kidder, 1994). Under pressure to make rapid and constant changes, organisations have had to alter employment relationships and the psychological contracts that underlie them (Robinson, 1996). Downsizing has broken the expectation of a job for life and the belief that good performance and commitment are rewarded. It has meant less job security and fewer career progression opportunities for

employees (Doherty, 1996). These changes have increased the likelihood of psychological contract violation.

Psychological contract violation refers to the perception on the part of employees that the organisation has failed to fulfill adequately the promised obligations of their psychological contract (McLean Parks & Schmedemann, 1994; Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1989). Psychological contract violation goes beyond the mere cognition that a promise has been broken to include an affective component - the feelings of anger and

betrayal that are often experienced when an employee believes that the organisation has failed to fulfill one or more of those obligations (Morrison & Robinson, 1997).

The experience of psychological contract violation has important individual and organisational implications. One of the key elements of the concept of the psychological contract is that of reciprocity – fulfillment of their obligations by one party is conditional on the fulfillment of theirs by the other (Rousseau & Parks, 1993). As such, if employees perceive the organisation to have broken its side of the bargain by, for example, removing job security and promotion prospects, they are likely to decrease their own effort and commitment in return (Herriot, Manning & Kidd, 1997). Researchers have found that psychological contract violation decreases employees' trust toward their employers, satisfaction with their jobs and organisations, perceived obligation to their organisations, and intentions to remain (Robinson, 1996; Robinson & Morrison, 1995; Robinson & Rousseau, 1994). Moreover, violation has been found to have a negative impact on employee behaviour, causing potentially valuable employees either to reduce their contributions to their organisations or to exit the employment relationship altogether (Robinson et al., 1994; Robinson & Rousseau, 1994).

## Managing The New Employment Relationship

**The profound changes in the nature of the employer/employee relationship and shifts in the psychological contract between them raise important questions regarding the effective management of the new employment relationship, several of which are addressed below.**

Organisations are not able to offer job security and opportunities for promotion but at the same time they do not want to lose the loyalty and investment of their employees (Hiltrop, 1996). Essentially, they continue to demand commitment from employees they cannot commit to (Cooper, 1999; Henkoff, 1994). One of the most significant challenges for management is to find alternative means of generating employee loyalty and commitment and of motivating

talented employees (Hiltrop, 1996).

According to Baruch and Hind (1999), today's managers need to re-create commitment using different expectations and incentives based on a new psychological contract. The recreation of updated psychological contracts is critically important for the successful management of change. The realignment and renegotiation of the employment relationship is the foundation on which both the

organisation's and the individual's future is built (Doherty, 1996). The task of developing new psychological contracts involves disillusioning people who grew up with the idea of loyalty and mutual commitment and who expected a long-term employment relationship (Baruch & Hind, 1999). Such employees need assistance with adjusting, letting go of outdated theories and beliefs and aligning themselves with the new paradigm (Noer, 1994).

Noer (1994) suggests that the "old glue" of paternalism, hierarchy and bureaucracy that held a company together before downsizing, should be replaced with a "new glue" that is internal to employees. This "new glue" consists of a paradigm shift in which employees are independent charters of their own careers. This new approach actually leads to heightened job security and productivity because people no longer place their whole identity in the organisation; they are loyal to themselves, their work, and profession and simultaneously committed to the organisation. They realise it is possible to do good work without guaranteed lifetime employment. They now choose to be in an organisation because they like the work, rather than staying only for the idea of life-long employment security. They derive satisfaction from partnering with their employers in positively contributing to organisational effectiveness.

For many companies, the new employment relationship requires a major shift in the management style of the organisation – from a more traditional "command and control" style to one that emphasises participation and involvement (Hiltrop, 1996). This demands a genuine commitment on the part of the organisation to teamwork, empowerment and decentralisation. It also demands a greater commitment to openness, honesty and company-wide information sharing (Hiltrop, 1996). In empowering employees, management are giving employees more discretion and control and ensuring that everyone has the autonomy to be creative. The empowerment and enabling of employees introduces its own challenges: empowered employees are likely to be more aware of their rights and more liable to litigate where they feel that such rights have been disregarded or violated. They may also be more willing to challenge authority and to question leadership decisions. Managers cannot rely on positions of

authority in securing the respect and cooperation of their teams: effective people management and conflict resolution skills have never been more important.

Effectively using employees' skills, tapping into employees' knowledge and facilitating new learning and ongoing development have become crucial managerial tasks. In endeavouring to bolster employability, managers are allowing employees the opportunity to serve beyond their job description, gain professional expertise and cultivate core competencies across functional groupings (Hiltrop, 1996). The challenge of work experience has been shown to be one of the most significant factors in the development of commitment (Meyer et al., 1989) and it is critical that management design jobs that keep employees challenged and stimulated, enabling them to feel a sense of accomplishment, to express and use their talents, and to develop their skills (Hiltrop, 1996).

# TRENDS IN WORKPLACE HEALTH PROMOTION

**Increasingly, workplace health promotion is playing a role beyond averting debilitating illness and enhancing health and well-being. Employee health is being linked to the overall business goals of the organisation and, in fostering both healthier individuals and healthier work environments, workplace health promotion programmes are improving worker performance and organisational productivity.**

Maintaining the health of the working population has become an increasing priority in recent years (WHO, 1999). The changing nature of work, accelerating pace of organisational change, rapid technological development, globalisation of the world economy, longer working hours and the escalation of workplace stress have ushered in a host of new and serious health risks (Senior & Reddy, 2002). A growing number of employers across the world are implementing measures that protect and promote the health and well-being of their employees (Chu & Dwyer, 2002). A survey conducted by Hewitt Associates in the US in 2001 indicated that 93% of American companies currently offer health promotion and management programmes.

government and are completely unaffordable to employees. Providing antiretroviral therapy is part of a comprehensive strategy on the part of these organisations to address the impact of HIV/Aids on the workforce and its productivity.

In the past, health promotion programmes were introduced into many organisations primarily as it was seen as the right thing to do in demonstrating a concern for employee health and well-being. Thereafter, in the face of escalating health costs, the rationale shifted towards the role of health promotion programmes in reducing demand for medical services and curtailing health care costs. Today, greater emphasis is placed on work force productivity, on examining

Within Europe, workplace health promotion has become holistic and integrative, encompassing health promotion and disease prevention, occupational safety and hazard reduction, as well as organisational development and human resource management (WHO, 1997). The model that has emerged – Integrative Workplace Health Management (WHM) – is concerned with identifying the causes of ill-health and improving the health and well-being of people at work. It aims to prevent and manage physical and mental health problems, reduce risk factors and health and safety hazards and improve health and rehabilitation. It also has the potential to promote better work satisfaction and morale, improve the quality and productivity of work, and create a supportive social climate



In light of growing demands on the health care system, rising costs of healthcare and depleted medical resources, there is a move towards governments shifting responsibility for healthcare onto employers. In South Africa, for example, companies such as Anglo American Corporation and BP are providing antiretroviral therapy to employees and their families. Antiretrovirals are not provided by the South African

how to best leverage the human assets of an organisation so that improvements in individual and organisational health lead to improvements in organisational productivity and, for commercial enterprises, bottom line profitability (Goetzel, 2001). There is a growing recognition that the health of employees is a key determinant of long-term profitability and competitiveness (Pellegrini, 2002).

and workplace culture (Chu & Dwyer, 2002).

There is a move away from the narrow focus on specific health or disease conditions towards a consideration of the interplay of multiple health and disease factors that affect an individual's health and well-being. In the US, an integrative model known as Health and Productivity Management (HPM) has been developed. HPM is an

emerging business strategy based on integrated information aimed at improving the total value of an organisation's human resource investments (Goetzel & Ozminkowski, 2000).

Health promotion researchers have begun to quantify the impact of worksite health beyond medical costs alone and to include measures of worker productivity (Gold, 2001). Employee ill-health impacts on organisational performance not only through direct costs of healthcare and disability, but also through indirect costs such as obtaining replacement workers for absent employees, productivity losses and overtime premiums paid to compensate for absence or reduced productivity. Employees may be physically present at work but may be suffering from physical or psychological complaints that prevent them from performing at optimum levels, a condition known as 'presenteeism' (Goetzel & Ozminkowski, 2000).

Studies document remarkable benefits from health promotion in the workplace, including improved health status, increased job satisfaction, enhanced morale and work productivity, as well as financial gains from reduced absenteeism and employee turnover, lower health care and insurance costs (Demmer, 1995). The University of Michigan's Health Management Research Center has studied health promotion programmes at 1,400 US companies employing more than two million employees over the past 15 years. It has determined that health promotion programmes result in reduced rates of absenteeism, fewer instances of short-and long-term disability and lower employee benefits costs, as well as improved morale and increased productivity. In reviewing return on investment (ROI) studies of corporate health and productivity management initiatives, Goetzel et al. (1999) identified a wide range of ROI estimates, ranging from \$1.49 in

benefits per dollar spent on the programme, to \$13 per dollar spent, depending on the type of health promotion programme. Aldana (2001) conducted a comprehensive review of the literature pertaining to the financial impact of health promotion programmes and concluded that there is evidence to suggest that the implementation of health promotion programmes results in lower levels of absenteeism and employee-related health-care expenditure.

After reviewing a range of recent clinical- and cost-effectiveness studies of health promotion programmes at the worksite, Pelletier (2001) asserts that there is moderate to strong evidence that comprehensive health promotion and disease management programmes have evolved in the workplace to the point of demonstrating both clinical effectiveness and cost-effectiveness. Pelletier emphasises that multifactorial, comprehensive worksite health promotion programmes that focus on multiple risk factors and provide sustained, periodic individual counselling and support as well as employee education are likely to be most clinically and cost-effective. Individualised risk reduction counselling within the context of worksite risk education for all employees appeared to be a prevalent and effective model (Pelletier, 2001). Workplace health promotion programmes may also be a useful tool for attracting and retaining the most effective, productive employees. Employees place an exceptionally high value on their health and that of their families. Employee health promotion programmes are one of the most tangible symbols of corporate philosophy in valuing employees and contribute to higher levels of employee satisfaction (Baase, 2001).

Emerging models of workplace health promotion reflect a shift in accountability for health. Employees are being empowered to take more

responsibility for their physical and emotional health and to play an active role in optimising their well-being and thus their productivity. Employers and employees have begun to work together as partners in health promotion. New models encourage the participation of employees and management in decisions that affect their health, increase employees' confidence in their ability to make changes in their lives and promote skill-building for health protection and promotion.

The future of workplace health promotion programmes will be based on maximising the performance potential of each employee who is present (Karch, 2001). Organisations will be focused upon boosting the health and vitality of employees on the job and improving their quality of life so that employers get optimal performance. Health and well-being will be integrated into the very fabric of employees' jobs and the workplace will become a place that is not only free of hazards, but also provides an environment that is stimulating and satisfying for those who work there (Chu et al., 1997). There is likely to be an increasing focus on prevention, with companies not only targeting employees at high risk of illness and disease, but also beginning to pay more attention to assisting low-risk individuals to remain low risk. Environmental and organisation-level factors have a tremendous impact on employee health and productivity and health promotion programmes will continue to look beyond individually-based risks and behaviours. Lastly, the rising levels of stress prevalent among employees, coupled with the increasing recognition of the importance of managing psychosocial risks in curtailing costs and improving productivity, suggest that promoting mental health and fostering psychological well-being and resilience among employees are likely to become central features of health promotion programmes in the workplace.

## UPDATE: EAP OUTCOME STUDIES

### **Alker (2000). Report on a local authority employee counselling scheme. Unpublished report, Counselling Perspectives.**

Alker examined the effectiveness of EAP counselling provided to local authority employees. Questionnaires were completed by 160 clients before their first session and following their final session of counselling. The EAP clients were highly satisfied with the counselling. Mental health, general stress and work stress scores improved significantly post-counselling. While sickness absence increased, GP visits remained stable. Self-rating of work effectiveness improved, and there was a shift in coping mechanisms towards more proactive coping styles.

### **Attridge (2001). Outcome of telephonic employee assistance services in a national sample. Presented at the American Psychological Society Conference, June 14 - 17, 2001, Toronto.**

This applied naturalistic study assessed the outcomes of EAP services. Follow-up survey data was analysed from a large national sample (n=1,251). Results showed that over two-thirds of employees reported improvements in their stress, well-being, daily functioning, work productivity and absenteeism after use of the service. These findings replicate an earlier study (Riedel & Attridge, 2000).

### **Hiatt, Hargrave & Palmertree (1999). Effectiveness of job performance referrals. Employee Assistance Quarterly, 14(4), 33-43.**

This research examined formal referral cases from a range of public and private companies served by a large, external EAP. The authors investigated 753 EAP cases between 1989 and 1997 for which there were complete data sets on supervisor ratings of employee job performance at the time of EAP intake and on follow-up. Data included therapists' ratings of client functioning at the time of the first session and an evaluation of problem resolution on closing the case. Supervisors who referred employees to the EAP rated job performance elements as significantly improved after treatment. Attendance was the job element rated lowest before EAP services and showed the greatest improvement of all reported job elements. Significant improvement was found for behaviour/conduct, quality and quantity of work, and interpersonal relationships. EAP therapists also rated job performance functioning as having improved. Supervisors rated the EAP services very highly.

### **Masi, Hensley & Jacobson (2000). Measuring outcomes in an employee assistance and work-life program. Presented at the EAPA Annual Conference, New York, November, 2000.**

In a study measuring the effectiveness of an integrated work-life and EAP, these researchers surveyed 201 employees and dependents using external EAP/work life services between August and December 1999. Subjects were contacted telephonically for a follow-up survey in March 2000. Clients' ability to manage work-related stress improved 42%; personal stress management improved 44%; work performance improved 33%; work attendance improved 27%; relationships with co-workers improved 26% and relationships with supervisors improved 23%.

### **O'Neil (1999). Outcome of two sessions of treatment within an Employee Assistance Program (EAP). Unpublished PhD dissertation, The University of Utah.**

This study investigated the effects of two sessions of therapy on clients from an EAP, and also evaluated the influence of selected client and clinical characteristics on the treatment outcome, as measured by the outcome measurement questionnaire, OQ-45.2. The OQ-45.2 was given as a pretest prior to treatment, and as a posttest just prior to the third session of treatment. The sample consisted of 917 clients who were provided two sessions of an eclectic brief therapy. There was significant client change from pretest to posttest.

### **Selvik & Bingaman (1998). EAP outcomes from the client's point of view. EAP Digest, September/October, 1998, 21-23.**

To determine the value of its services, the EAP administered by Federal Occupational Health, a division of the United States Department of Health and Human Services, gathers data on the health status of employees using the programme. In this

research, responses to four pre- and post-health status questions, an absenteeism question and a score from the Global Assessment of Functioning (GAF) scale from the DSM-IV were collected from 16 055 EAP cases between Jan 1997 and June 1998 at case opening and case closing. EAP intervention led to an improvement in productivity as it is affected by physical and emotional health, in work relationships, health, and in attendance. Average GAF scores improved from 65.89 to 71.93.

---

**Turner (2000). Factors affecting clinical outcome in employee assistance programs. Unpublished dissertation, University of Maryland at Baltimore.**

This study examined whether short-term counselling in an EAP setting leads to improved health status, as measured in five different ways: general health, current health perception, physical functioning, role functioning and social functioning. The researcher used 4 items from the SF-12 and compared scores of 470 EAP clients from a government consortium collected at clients' first counselling session with those collected at the last session. General health status, current health perception, role functioning, physical functioning and social functioning improved following EAP counselling.

In the Third Research Bulletin, ICAS will be looking at the demands and particular stressors faced by women in today's workforce. A subsequent article in the series on Behavioural Risk Management will be presented, as well as an overview of recent developments in the area of diversity in the workplace. Literature pertaining to adjustment challenges of expatriates on foreign assignments will be reviewed. ICAS would welcome any feedback or suggestions as to particular areas for future exploration in the Research Bulletin.

## REFERENCES

- Aldana, S.G. (2001). Financial impact of health promotion programmes: A comprehensive review of the literature. *American Journal of Health Promotion*, 15(5), 296-320.
- Attridge, M. (2001). The Role of EAPs in Managing Human Capital. EAP Association Exchange, 31(3), 39.
- Baase, C. (2001). An optimistic view from the corporate perspective. *American Journal of Health Promotion*, 15(5), 363-365.
- Baruch, Y. & Hind, P. (1999). Perpetual motion in organisations: Effective management and the impact of the new psychological contracts on "Survivor Syndrome". *European Journal of Work and Organisational Psychology*, 8(2), 295-306.
- Bates, S. (2002). Accounting for People. *HR Magazine*, October, 2002, 30-37.
- Bennett, J.A. & Lehman, W.E.K. (1999). The relationship between problem co-workers and quality work practices: A case study of exposure to sexual harassment, substance abuse, violence and job stress. *Work & stress*, 13(4), 299-311.
- Chu, C., Driscoll T. & Dwyer, S. (1997). The health-promoting workplace: An integrative perspective. *Australian and New Zealand Journal of Public Health*, 21(4): 377-386.
- Chu, C. & Dwyer, S. (2002). Employer role in integrative workplace health management: A new model in progress. *Dis. Manage. Health Outcomes*, 10(3), 175-186.
- Collins, K.R. (May/June, 2002). The EAP core technology. EAP Association Exchange, 32(3), 11.
- Cooper, C.L. (1999). The changing psychological contract at work. *European Business Journal*, 11(3), 115.
- Daniels, K. (1996). Why aren't managers concerned about occupational stress? *Work & Stress*, 10, 352-366.
- Daum, J.H. (2001a). Value drivers intangible assets. (<http://www.juergendaum.com>).
- Daum, J.H. (2001b). Business management in the new, New Economy. Presented at SAP's European mySAP Financials Conference, June 2001, Basel, Switzerland.
- Demmer H. (1995). Worksite health promotion: How to go about it. *European Health Promotion Series*, No. 4. Essen, World Health Organisation.
- Doherty, N. (1996). Surviving in an era of insecurity. *European Journal of Work and Organisational Psychology*, 5(4), 471-478.
- Drennan, L. (2001). Risk Management: A holistic approach. *Risk Management: A Standards Australia portal*, 30 November, 2001.
- Druss, B.G., Schlesinger, M., Allen, H.M. (2001). Depressive symptoms, satisfaction with health care, and 2-year work outcomes in an employed population. *American Journal of Psychiatry*, 158(5), 731-732.
- Edelsten, M. (2001). Managing people risks and risky people. *Strategic Risk*, September 2001.
- Edwards, D. (2002). EAPs: One solution for risk managers. *National Underwriter / Life and Health Financial Services*, 106(15), 22.
- Feerst, D. (November/December 2001). Behavioural risk: The other side of the mountain. EAP Association Exchange, 31(6), 20-21.
- Feerst, D. (2002a). EAPs help limit behavioural exposures. *National Underwriter*, August, 12, 2002, 18-19.
- Feerst, D. (2002b). Claiming the behavioural risk high ground. Presented at the 31st Annual Employee Assistance Professionals Association Annual Conference, Boston, MA, 24-26 October, 2002.
- Goetzel, R.Z. (2001). Health and Productivity Management: A Paradigm Shift for American Business that Might Ultimately Pay for Health Promotion. Paper presented at the 12th Annual Art and Science of Health Promotion Conference.
- Goetzel, R.Z., Juday, T.R. & Ozminowski, R.J. (1999). What's the ROI: A systematic review of return-on-investment studies of corporate health and productivity management initiatives. *AWHP's Worksite Health*, Summer, 1999, 12-21.
- Goetzel, R.Z. & Ozminowski, R.J. (2000). Disease management as a part of total Health and Productivity Management. *Dis. Manage. Health Outcomes*, 8(3), 121-128.
- Gold, D. (2001). The rise of productivity measures in health promotion research. *Health Promotion: Global Perspectives*, 4(2).
- Handy, C. (1989). *The Age of Unreason*. London: Hutchinson.
- Hall, D.T. & Moss, J.E. (1998). The new protean career contract: Helping organisations and employees adapt. *Organisational Dynamics*, Winter, 1998, 22-37.
- Henkoff, R. (1994). Getting beyond downsizing. *Fortune*, 129(1), 58.
- Herriot, P., Manning, W.E.G. & Kidd, J.M. (1997). The content of the psychological contract. *British Journal of Management*, 8, 151-162.
- Herriot, P. & Pemberton, C. (1995). *New Deals*. Chichester: Wiley.
- Karch, B. (2001). Health promotion and workplace productivity. *Health Promotion: Global Perspectives*, 4(2).
- Keen, A. (2000). Managing mental, behavioural issues lowers losses, risks. *Fort Worth Business Press*, 13(9), 10.
- Khaleelee, O., & Miller, E. (1985). Beyond the Small Group: Society as an Intelligible Field of Study. In M. Pines (Ed.), *Bion and Group Psychotherapy* (pp. 355-83). London: Routledge & Kegan Paul.
- Kloman, H.F. (2001). The Risk Spectrum. *Risk Management Reports*. Seawrack Press.
- Kloman, H.F. (2002). The need for a corporate makeover. *Reactions*, 22(4), 32-34.
- Krantz, J. (1998). Anxiety and the new order. In E. Klein, F. Gabelnick & P. Herr (Eds.), *Leadership in the 21st Century*. Madison, CT: International Universities Press.
- Low, J. (1999). Valuing Intangibles: Results and Implications: Measures that Matter. Presentation to The Heartland Project, Washington, DC, 30th April 1999.
- Low, J. (November, 2001). Scalability of passion: Human interaction and the modern day organisation. *Perspectives on Business Innovation*, 7. Center for Business Innovation, Cambridge, MA.
- McHugh, M. (1997). The stress factor: another item for the change management agenda? *Journal of Organisational Change Management*, 10(4), 345-363.
- McLean Parks, J., & Kidder, D.L. (1994). Till death us do part: Changing work relationships in the 1990s. In C. L. Cooper & D. M. Rousseau (Eds.), *Trends in Organisational Behaviour*: 112-133. New York: Wiley.
- McLean Parks, J., & Schmedemann, D.A. (1994). When promises become contracts: Implied contract and handbook provisions on job security. *Human Resource Management*, 33: 403-423.
- McNamee, D. (2000). Targeting business risk. *Internal Auditor*, 57(5), 46-50.
- McNamee, D. (1998). Managing soft asset risks. *Internal Auditing*.
- McNamee, D. (1997). The new risk management. *The Corporate Manager*.
- McNamee, D. & Selim, G. (1998). Risk Management: Changing the Internal Auditor's Paradigm. Institute of Internal Auditors Research Foundation.
- Meyer, J.P., Paunonen, S.V., Gellatly, I.R., Goffin, R.D. & Jackson, D.N. (1989). Organisational commitment and job performance: It's the nature of the commitment that counts. *Journal of Applied Psychology*, 74, 152-156.
- Morrison, E.W. & Robinson, S.L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of Management Review*, 2(1), 226-257.
- Nickson, S. (2001). The human resources balancing act: Cooperation between risk management and human resources. *Risk Management*, 48(2), 25.
- Noer, D.M. (1993). *Healing the wounds*. San-Francisco: Jossey-Bass.
- Noer, D. M. (1994). A recipe for glue. *Center for Creative Leadership Issues & Observations*, 14(3), 5-6.
- Orbach, N.F. (2001). EAPs as a risk management tool. *Behavioural Health Management*, 21(4), 44-47.
- Oss, M.E. & Clary, J. (1998). The evolving world of employee assistance. *Behavioural Health Management*, 18(4), 20-24.
- Peiperl, M. & Baruch, Y. (1997). Back to square zero: The post-corporate career. *Organisational Dynamics*, Spring, 1997, 7-22.
- Pellegrini, S. (2002). The next 25 years: Wellness. *Benefits Canada*, June 2002, 83-85.
- Pelletier, K.R. (2001). A review and analysis of the clinical- and cost-effectiveness studies of comprehensive health promotion and disease management programmes at the worksite: 1998-2000 update. *American Journal of Health Promotion*, 16(2), 107-116.
- Reddy, M. (2002). *Behavioural Risk Analysis*. ICAS Document.
- Robinson, S.L. (1996). Trust and breach of the psychological contract. *Administrative Science Quarterly*, 41(4), 574-600.
- Robinson, S.L., Kraatz, M.S. & Rousseau, D.M. (1994). Changing obligations and the psychological contract: A longitudinal study. *Academy of Management Journal*, 37: 137-152.
- Robinson, S.L. & Morrison, E.W. (1995). Psychological contracts and OCB: The effects of unfulfilled obligations. *Journal of Organisational Behavior*, 16: 289-298.
- Robinson, S.L. & Rousseau, D. M. (1994). Violating the psychological contract: Not the exception but the norm. *Journal of Organisational Behavior*, 15: 245-259.
- Rousseau, D.M. (1989). Psychological and implied contracts in organisations. *Employee Responsibilities and Rights Journal*, 2: 121-139.
- Senior, L. & Reddy, M. (2002). *Stress: Managing the Business Risk*. An ICAS publication.
- Serxner, S.A., Gold, D.B. & Bultman, K.K. (2001). The impact of behavioural health risks on worker absenteeism. *Journal of Occupational and Environmental Medicine*, 43(4), 347-354.
- Sims, R.R. (1994). Human resources management's role in clarifying the new psychological contract. *Human Resources Management*, 33: 373-382.
- Stoner, C.R. & Hartman, R.I. (1997). Organisation therapy: Building survivor health and competitiveness. *SAM Advanced Management Journal*, 62(3), 25-32.
- Sutherland, V.J. & Cooper, C.L. (2000). *Strategic Stress Management: An Organisational Approach*. Basingstoke: Macmillan.
- Vernarec, E. (1999). Making the case to top management: Employee health benefits as an investment in people. *Business and Health*, 17(7), 20-25.
- WHO. (1997). Who's global healthy work approach. Division of Health Promotion, Education and Communication and Office of Occupational Health, Geneva: WHO.
- WHO. (8 June, 1999). The burden of occupational illness [press release]. Geneva: WHO.
- Walton, J. (2000). Risk management: Are people your weakest link? *Risk Management: A Standards Australia portal*.
- Wojcik, J. (1997). Managing risks of human resources. *Business Insurance*, 31(27), 2-4.
- Yandrick, R.M. (November/December, 1995). BRM service delivery: A three-division approach. EAP Digest, 26-27.
- Yandrick, R.M. (1996). Behavioural Risk Management: How to Avoid Preventable Losses from Mental Health Problems in the Workplace. San Francisco: Jossey-Bass Publishers.
- Yandrick, R.M. (November/December, 1997a). What makes Behavioural Risk Management different? EAP Digest, 18(1), 27.
- Yandrick, R.M. (November/December, 1997b) Auditing Behavioural Risks. EAP Digest, 18(1), 26-28.
- Yandrick, R.M. (Spring, 2002). Workplace triggered problems. A behavioural risk audit case study: How loss, risk data can help EAPs build stronger relationships with employers. EAP Digest, 18-32.
- Yandrick, R.M. & Miceli, E. (July/August, 1999). Essential skill sets for behavioural risk service delivery.
- Zimmerman, E. (2001). What are employees worth? *Workforce*, 80(2), 32-36.

## About ICAS

ICAS is an international provider of Behavioural Risk Management Consultancy Services, operating worldwide through our own network of overseas offices and strategic partnerships.

## Standards

We are members of the British Association for Counselling and Psychotherapy (BACP) and the internationally recognised Employee Assistance Professionals Association (EAPA). Our standards of professional practice comply with all their codes of practice and guidelines and are recognised worldwide.

ICAS is a Registered Sponsoring Organisation of the United Kingdom Register of Counsellors (UKRC) and we work to, and use, the Business Excellence Model based on the European Foundation Quality Management model. We are members of the British Quality Foundation.

ICAS is an Investors in People company.

## Services

ICAS offers a portfolio of corporate support services which include Employee Assistance Programmes, **FIRSTcall**<sup>®</sup>, **CRISIScall**, policy development, audit and consultancy.

## Working with you

We are expert in tailoring programmes to blend and harmonise with your business focus. ICAS works closely with leading organisations, across all business sectors, to complement employee support needs, and to manage the costs and risk of the human dimension of business. Our reputation for delivering quality services is best illustrated by the loyalty of our customers.



Radlett House West Hill Aspley Guise Milton Keynes Buckinghamshire MK17 8DT Tel: +44 (0) 1908 285200 Fax: +44 (0) 1908 285201  
5/6 Park Terrace Glasgow G3 6BY Tel: +44 (0) 141 353 0555 Fax: +44 (0) 141 353 0645  
info@icagroup.com www.icagroup.com