

Towards Measuring the Social Impact of Managing Psychosocial Risks in Organizations in Slovenia

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Abstract

Psychosocial risks in the workplace represent one of the most significant challenges for occupational safety and health in modern organizations. Continuous changes in work organization, job demands, and employment relations have increased exposure to psychosocial risk factors that negatively affect employees' well-being, organizational performance, and broader societal outcomes. The purpose of this study is to explore the potential social and economic impact of systematic psychosocial risk management in organizations in Slovenia. The research combines a literature review on psychosocial risks and their consequences with an illustrative quantitative calculation based on national statistical and financial data. The methodology includes the use of publicly available data on average salaries, sickness absenteeism rates, employee turnover, and health system expenditures to estimate the potential benefits of reducing psychosocial risks in the workplace. The results suggest that systematic management of psychosocial risks can significantly reduce health-related absenteeism and employee turnover. In an example organization with 250 employees, a reduction in sickness absence and turnover could generate total financial benefits of approximately €354,222.62 per year for the organization, while also producing a potential savings of €573,240 per year for the national health insurance system. These findings highlight the substantial social value of effective psychosocial risk management practices. The study contributes a preliminary methodological approach for estimating the social impact of workplace psychosocial risk management and emphasizes the importance of integrating psychosocial risk prevention into organizational policies and occupational health strategies.

Keywords: psychosocial risks, workplace health, absenteeism, employee turnover, social impact, Slovenia

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1 Introduction

Exposure to psychosocial risks in the work environment, according to the findings of the European Agency for Safety and Health at Work and similar institutions operating on other continents, represents one of the greatest challenges for occupational safety and health. This is largely a consequence of continuous changes and developments in the nature and organization of work (Fernandes & Pereira, 2016).

The International Labour Organization defines psychosocial risk as the interaction between the work environment, job content, work organization, and the capacities, needs, culture, and personal non-work aspects of workers, which—through perceptions and experiences—may influence health, work performance, and job satisfaction.

The European Agency for Safety and Health at Work warns that the negative effects of unmanaged psychosocial risks for organizations include poor overall business performance, increased absenteeism and presenteeism (workers coming to work when they are ill and unable to function effectively), higher employee turnover, and an increased rate of accidents and injuries. Absences related to mental health are usually longer than absences caused by other factors, while work-related risk factors are an important element contributing to higher rates of early retirement. Cost estimates for companies and society are significant and amount to billions of euros at the national level.

In 2016, Fernandes and Pereira conducted a systematic review aimed at analyzing the scientific literature on the effects of exposure to psychosocial risk factors in the work environment. The analysis included 22 articles. The review found that overall mental health and psychosocial well-being of employees had deteriorated regardless of the assessed psychosocial factor, with particular emphasis on emotional demands. This deterioration manifests itself in increased levels of physiological and cognitive stress among workers. As a result of this increased stress, workers express their responses in several ways:

- i) physiologically, through neuroendocrine and immune reactions;
- ii) emotionally, through manifestations of anxiety, depression or depressive symptoms, alienation, apathy, and similar feelings;
- iii) cognitively, through limited perception, changes in the ability to concentrate and be creative, and difficulties in decision-making;
- iv) behaviorally, for example through substance abuse such as alcohol, tobacco, drugs, or through violence.

Workers' perception of a deteriorated psychosocial environment is clearly associated with higher levels of work absence, for example due to sick leave. A poor psychosocial work environment has been linked to unfavorable indicators of physical and mental health, such as hypertension, myocardial infarction, stress, low self-esteem, burnout, and poorer health in general. An unfavorable psychosocial environment represents a risk factor for the development of clinical conditions ranging from moderate to severe, which may lead to employee absence from work—particularly sick leave—or the intention to permanently leave the job.

Based on a review of the literature, Bratojeva (2025) concludes that an effective reduction of sick leave requires integrated workplace health promotion policies that include the prevention of risk factors, support for mental health, and the encouragement of a balanced lifestyle. Such an approach positively affects both employee well-being and the productivity and sustainability of the organization.

As mentioned earlier, psychosocial risks represent one of the greatest challenges in the field of occupational safety and health. According to the European Agency for Safety and Health at Work (EU-OSHA), between 50% and 60% of lost working days can be attributed to stress and the consequences of unmanaged psychosocial risks related to work. According to the Organisation for Economic Co-

operation and Development (OECD), the annual cost of work-related stress and mental health problems in the EU amounts to more than 4% of gross domestic product.

Fisher et al. (2020) found that a predictive model consisting of seven psychosocial job characteristics at the work-group level explained 70% of the variance in future absenteeism rates. The estimated reduction achieved by improving psychosocial job characteristics to a reference level amounted to 32% of all sick leave, compared with a 31% reduction achieved by eliminating health-behavioral and medical risk factors.

Pratama and colleagues found that job demands, job resources, and transformational leadership play an important role in shaping work stress and employees' intentions to leave. Pienaar and others investigated the relationships between job demands, job resources, employee well-being, turnover intentions, and performance in retail trade, finding that the explained variance in turnover intention models ranged between 44% and 45%.

According to Gallup research, 42% of employee turnover can be prevented. Gallup estimates that replacing leaders and managers costs approximately 200% of their salary, replacing employees in technical positions 80% of their salary, and replacing frontline workers 40% of their salary, in addition to immeasurable losses in morale and knowledge.

1.1 Purpose of the research

The research focused on how and to what extent systematic management of psychosocial risks in the workplace can help reduce absenteeism and turnover, and what the potential financial value of these effects can be for the organization. The purpose of the research is to quantify the effects of psychosocial risk management and to demonstrate that investing in positive workplace social impact is also a business-economic measure.

1.2 Method

In addition to a literature review, the research used a data collection method that obtained statistical data from the Statistical Office of the Republic of Slovenia and other publicly published data, which are listed in more detail in the next chapter.

A scenario analysis was used to predict the potential effects of systematic management of psychosocial risks in the workplace based on known literature and, together with statistical data, calculate the financial impact in the case of an individual scenario.

1.3 Limitations

The research represents, as is evident from the title, the beginnings of calculating the social effects of managing psychosocial risks in organizations in Slovenia and has several methodological and substantive limitations that must be taken into account when interpreting.

The research is based on secondary data (statistics, existing research), and not on data collected for the purposes of the research. Financial calculations are based on average values (salary, absenteeism) and estimates of the costs of turnover and absenteeism, and on assumptions about improvement, so the results are an estimate, not an exact calculation, and the actual effects may vary depending on the organization.

The conducted literature analysis shows differences in the definitions of psychosocial risks, in the measurement of absenteeism and turnover, so it is more difficult to directly compare the results or form uniform conclusions.

The research is based primarily on connections that have been identified in research from existing literature and not on proven causality.

The research also does not capture all indirect effects of uncontrolled psychosocial risks, such as reduced attendance, poor organizational climate, impact on innovation, and the like, so the total potential and actual financial effects may be even higher than calculated.

The data and calculations used in the research are valid for the current time period, so the model needs to be regularly updated and upgraded.

The results in an individual organization depend on a large number of factors, so adjustments are necessary when using it.

2 Social impact of comprehensive psychosocial risk management in the workplace

2.1 Findings

Based on the theoretical data shown in the introduction and statistical data from the Republic of Slovenia as shown below, we outlined an example calculation of the social impact of comprehensive psychosocial risk management in the workplace. The calculation assumes that systematic management of psychosocial risks can reduce health-related absenteeism and employee turnover. For the purpose of the calculation, the following data were used:

- the average salary in the Republic of Slovenia for 2025 (gross II, i.e., the average gross salary including employer contributions) of €2,969.69,
- the average sickness absence compensation calculated from the 2025 average salary at 80% per day (gross II), amounting to €113.13 per day,
- an estimate that 2 hours of overtime work are required for each day of absence due to health-related absenteeism,
- considering a 50% overtime premium, the cost of overtime work at an average salary amounts to €212.12 per day,
- the average percentage of lost working days due to health-related absenteeism in Slovenia in 2025 (6.8%) and the average percentage of lost working days due to health-related absenteeism in Slovenia in 2025 at the expense of the employer (2.9%),
- the average employee turnover rate in Slovenia for 2025 (9.8%),
- an estimate that systematic psychosocial risk management can reduce sickness absenteeism by 50%,
- an estimate that psychosocial risk management can reduce employee turnover by 40%,
- a conservative estimate that turnover costs amount to 40% of an employee's annual salary,
- the expenditures of the Health Insurance Institute of Slovenia (ZZZS) for 2024 (€5,254,366,738.00) and the number of lost days due to health-related absenteeism in 2024 (19,477,932), based on which the average ZZZS cost per lost day (€269.76) was calculated.

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Table 1: The financial impact of reducing health-related absenteeism for the organization

(savings in € per year)	Reducing health-related absenteeism for 1 percentage point	Reducing health-related absenteeism for 3.4 percentage points
Organisation with 50 employees	20.770,00 €	42.335,50 €
Organisation with 100 employees	41.540,00 €	84.671,00 €
Organisation with 250 employees	103.850,00 €	211.677,50 €
Organisation with 1000 employees	415.400,00 €	846.710,00 €

Table 2: The financial impact of reducing employee turnover for the organization

(savings in € per year)	Reducing employee turnover for 2 percentage points	Reducing employee turnover for 3 percentage points (savings in € per year)	Reducing employee turnover for 4 percentage points (savings in € per year)
Organisation with 50 employees	14,254,512.00 €	21,381,768.00 €	28,509,024.00 €
Organisation with 100 employees	28,509.02 €	42,763,536.00 €	57,018,048.00 €
Organisation with 250 employees	71,272.56 €	106,908.84 €	142,545.12 €
Organisation with 1000 employees	285,090.20 €	427,635.36 €	570,180.48 €

Based on these data, we calculated the potential social impact of systematic psychosocial risk management in organizations with different numbers of employees. The results show that in an organization with 250 employees, the financial impact of reducing health-related absenteeism by 3.4 percentage points amounts to €211,677.50, while the financial impact of reducing employee turnover by 4 percentage points amounts to €142,545.12, totaling €354,222.62.

In addition, the potential financial effect for the Health Insurance Institute of Slovenia (ZZZS) from reducing health-related absenteeism in such an organization by 3.4 percentage points amounts to €573,240.00.

2.2 Usability

Šestan (2025) finds in her research that an effective organizational structure that provides optimal working conditions is crucial for maintaining the productivity and health of the working population. The presented method can help to improve the presentation of the effects of systematic management of psychosocial risks in the workplace. The method used can be adapted to the situation in an individual organization, which will allow those responsible for measuring the effects to improve their current method. The findings can also help to demonstrate the potential impact of systematic management of psychosocial risks in the workplace for organizations and, on this basis, also allow management to assess the return on investment in measures to improve the working environment based on real data.

3 The findings and conclusions with thoughts and suggestions for further research

The presented method represents a starting point for measuring the social impact of psychosocial risk management in the workplace and is suitable for further development as new data become available. This is an extremely complex field in which numerous factors and outcomes intersect. Nevertheless, due to the significant societal impact of managing psychosocial risks in the workplace, it is important that these effects are appropriately presented, even though the current state of knowledge does not yet allow for a definitive assessment.

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