

HOW A DATA-DRIVEN FRAMEWORK REDUCED PSYCHOSOCIAL RISKS AT WORK AND STRENGTHENED WORKER WELL-BEING

1 Overview

Country: Estonia

Name of programme: Sustainable Employee framework¹

Organisation in charge: Swedbank Group

Year of implementation of the measure: 2018 – ongoing

Type of programme: Company programme

Sector: Finance

Reach: Corporate level

Target group: All workers, about 1,500

Interviewees: Work Environment and Health Lead, Workplace Strategist and Well-being Manager of Swedbank Estonia

2 Description of the case

2.1 Introduction

Swedbank Estonia operates as a branch of the Swedbank Group, a financial services organisation active in the Nordic-Baltic region. The group operates primarily in Sweden, Estonia, Latvia and Lithuania, offering a wide range of banking, investment and financial services to private, corporate and institutional clients. The Swedbank Group employs approximately 16,000 people globally, with approximately 1,500 workers in the Estonian branch.

Swedbank Estonia is among the larger banking institutions in Estonia, with its main office in Tallinn and a network of branches and digital services throughout the country. The Swedbank Group's stated strategy includes an emphasis on technological development, sustainability, social responsibility and workforce well-being. These priorities are incorporated into management practices and strategic planning.

The Sustainable Employee framework discussed in this case study was implemented as a group-wide initiative across all Swedbank Group branches worldwide. This framework represents a structured and evidence-based approach to maintaining worker well-being, addressing physical, organisational, social and digital factors that influence workplace health. Swedbank Estonia follows the same framework, tailoring implementation to local needs. This case study focuses on how the overall group approach is operationalised in Estonia. Information given here on experiences and practical aspects refers to the Estonian approach, while the theoretical framework comes from the overall Swedbank Group.

The introduction of the Sustainable Employee framework was prompted by a marked rise in sick leave observed in 2017 in Swedbank Estonia. At that time, Swedbank Estonia had already implemented various measures to improve the physical work environment, such as ergonomic equipment, optimised office layouts and general health initiatives, but these actions had not led to noticeable improvements.

¹ <https://www.swedbank.com/sustainability/employees/health-and-working-environment.html>

Sick leave statistics remained persistently high, highlighting the limitations of previous approaches and underscoring the need for a more comprehensive strategy to support worker well-being.

Before the introduction of the Sustainable Employee framework, all matters concerning the work environment were managed by regional Work Environment committees. These committees brought together work environment representatives, who also served as trade union representatives and represented the voice of workers, alongside human resources (HR), managers at all levels and occupational health experts. In line with the Swedbank Group's strategy at that time, their primary focus was on improving the physical work environment, for example by introducing ergonomic equipment (e.g. adjustable desks and chairs, and monitor stands), optimising office layouts and improving lighting and the indoor climate. They also promoted health through general wellness and work-life balance initiatives (e.g. self-care opportunities and health campaigns) and provided individual support, including conflict resolution procedures, mental health support, first aid resources and a crisis plan for traumatic events. In addition, the Work Environment committees began to implement preventive measures against workplace harassment.

Broader psychosocial risks (PSRs), apart from harassment prevention, were seldom addressed, and when committees attempted to raise these issues, they often encountered various obstacles, such as reluctance to approach the topic at various levels. The absence of clear PSR indicators, combined with the perceived stigma that discouraged workers from speaking up, further limited the committees' possibilities to deal with PSR-related challenges.

The COVID-19 pandemic and the rapid transition to remote work additionally heightened the need for effective PSR management within the group. As remote work quickly became the norm, workers encountered new challenges, such as maintaining work-life boundaries and staying connected with colleagues. At organisational level, this shift required adapting office spaces for a workforce no longer present five days a week, supporting new digital ways of working and creating environments to accommodate diverse work styles and tasks.

To address these changes, the Swedbank group introduced activity-based working as one of its first measures to support remote work. This approach replaced assigned desks with a variety of bookable zones for focused work, collaboration and meetings. It also involved implementing desk and room booking systems, clean-desk policies and providing teams with the necessary digital tools and guidelines to coordinate work across various locations. The aim was to optimise office space usage, foster collaboration during in-office days and give workers greater autonomy over how and where they worked. However, it soon became clear that managers required additional support and training to effectively lead dispersed teams and maintain engagement from a distance.

Furthermore, the Work Environment and Health Lead from Swedbank Estonia, who was interviewed, noted that workers often felt uncomfortable openly discussing psychosocial well-being. Physical complaints, such as 'I have a bad back', were more readily acknowledged and shared than issues related to mental health and well-being. This highlighted the need to develop mechanisms to better identify and address these issues.

2.2. Description of measures/actions implemented and actors involved

In response to these evolving challenges, the Swedbank Group introduced the Sustainable Employee framework worldwide in 2020 as its central strategy for supporting workers' well-being. This framework is grounded in the job demands-resources (JD-R) model, which posits that high job demands (e.g. workload, time pressure and emotional strain) increase the risk of stress and burnout, while ample job resources (e.g. supportive management, autonomy and opportunities for development) contribute to better engagement and better well-being.² By proactively balancing demands and resources, organisations can cultivate a healthier and more sustainable workforce.

Building on this theoretical foundation, the application of the Sustainable Employee framework in the group in general was developed through a collaborative process led by HR and the Work Environment committees. Drawing on existing research about occupational risks, as well as insights from internal

² Bakker AB, Demerouti E (2007), "The Job Demands-Resources model: state of the art". *Journal of Managerial Psychology*, Vol. 22 No. 3 pp. 309–328, doi: <https://doi.org/10.1108/02683940710733115>

discussions and worker surveys, the team worked together to identify the most pressing risks and key aspects to address. This collaborative approach ensured that the framework was both evidence-based and closely aligned with the real needs and experiences of workers.

As a core element of the framework, the group adopted a strategic perspective on the work environment, categorising it into four distinct dimensions. By recognising and addressing these dimensions, the group aimed to take a comprehensive and proactive stance on sustaining workers' well-being in a rapidly evolving workplace. This was confirmed by the interviewed worker, who noted that the framework made work environment priorities such as one-to-one meetings with team leaders and ongoing support visible in the organisation, demonstrating that well-being is an organisational responsibility. The four dimensions are:

- Physical factors: such as indoor climate, lighting, ergonomics and workspace layout.
- Organisational factors: including workload, resource availability and the structure and management of work.
- Social factors: encompassing managerial support and the quality of interactions among colleagues.
- Digital factors: relating to the platforms and systems used daily, as well as the interplay between people and technology.

The Sustainable Employee framework at the overall group was guided by the group's broader policy on sustainable work and mental well-being, which emphasises that maintaining a healthy and supportive work environment is both a leadership responsibility and a core business value.

The framework builds on the collaborative structure at the Swedbank Group, ensuring that all key actors play complementary roles in PSR management. Within the Estonian approach, managers are responsible for leading day-to-day PSR management and preventive actions within their teams. HR partners provide essential tools, guidelines and training, and co-develop instruments to support PSR management. The Work Environment and Health Lead coordinates the overall framework, analyses data and reports trends to top management. Workers actively collaborate through participation in assessment tools and through team discussions, while trade union representatives are involved throughout the design and implementation phases at Work Environment committee level, thereby ensuring legitimacy and trust among the workforce.

A central structural change introduced by the framework was the redefinition of roles and responsibilities in managing the work environment at Swedbank Estonia. The Work Environment committees transitioned from a direct, hands-on role to one focused on strategic oversight and advisory support. Line managers assumed direct responsibility for managing health and safety, including PSR within their teams. This shift embedded PSR prevention and well-being into everyday leadership practices, moving away from treating it as a separate, compliance-driven process.

Before the new framework was introduced, the company relied on a broad survey known as the People Pulse survey covering a wide range of topics, including work engagement, workplace culture and equal treatment. However, recognising the need for more targeted information on PSRs, the framework developed for the group as a whole introduced a complementary assessment tool, the Sustainable Employee Index (SEI). This tool was developed through a collaborative process led by the Work Environment committees, incorporating input from HR, the Work Environment and Health Lead and trade union representatives. The SEI focuses specifically on assessing PSRs and leadership practices, providing concise and actionable insights into job resources, such as autonomy, support and role clarity in relation to job demands. Data for the SEI is collected two to three times a year through a brief questionnaire comprising four key questions:

- I feel I can handle my work situation in relation to what is expected of me.
- I can reach out for support when there is too much to do.
- I have a balance between my working life and private life that suits me.
- We treat each other respectfully at work.

Data from the SEI and People Pulse survey is reviewed at team and unit levels to identify 'hotspots' such as score dips, adverse trends or recurring risk signals. When risks are flagged, managers conduct a structured follow-up with their teams: they diagnose root causes, agree on targeted actions,

responsible persons and timelines, record them in an action plan and track progress until the risks are mitigated. The results are reported upwards and synthesised for Work Environment committee oversight. This process was confirmed by the interviewed worker, who noted that regular meetings presenting survey results and discussing concrete measures, such as task and workload redistribution, made the framework responsive to team needs. This follow-up runs through two complementary loops: daily leadership routines (one-to-ones and team meetings to identify issues, rebalance workload, clarify priorities and roles and address collaboration frictions) and quarterly Sustainable Employee meetings (data-driven reviews of SEI indicators, decisions on concrete actions and monitoring of progress against action plans). In this way, the company's approach to managing PSR becomes explicitly grounded in prevention, early intervention and continuous improvement.

In practice, hotspot reviews often lead to measures such as redistributing tasks from overloaded workers, pausing non-essential work, clarifying priorities, scheduling follow-up check-ins and addressing collaboration issues. Managers are also expected to foster positive team dynamics by clarifying roles, improving communication, resolving conflicts and integrating well-being into performance discussions.

When SEI scores drop significantly or recurring signals from workers' feedback are detected, this prompts structured follow-up PSR assessments using the Swedbank Group's PSR risk identification template, an assessment tool that includes topics such as the work environment within the business area, and organisational changes that affect the workers and their well-being. These assessments, often supported by HR and occupational health professionals, may include targeted surveys or team discussions to identify root causes and design tailored interventions. This responsive approach ensures that data-driven insights from the SEI are directly translated into concrete actions, reinforcing proactive PSR management and supporting a culture of continuous improvement.

The Work Environment committees now conduct biannual reviews of consolidated data from managers' reports, encompassing the SEI and People Pulse survey results, ad-hoc PSR assessments and records of follow-up actions. This systematic process enables the committees to identify recurring risks, monitor progress and escalate systemic issues to top management when necessary. For instance, when lower SEI scores and the follow-up activities revealed harassment-related risks, the Work Environment committees brought this to management's attention, resulting in the introduction of an updated anti-harassment policy, targeted manager training and a clarified reporting procedure.

SEI insights have also driven concrete organisational actions. For example, the establishment of a centralised unit for handling inheritance issues helped reduce excessive workloads in local branches by pooling specialised expertise. In another case, a branch network restructured its customer service processes by introducing clearer role definitions and 'focus hours' to minimise interruptions during peak periods. Additionally, certain IT units implemented mentoring and onboarding routines to ensure that new workers received adequate support and training. These examples illustrate how data-driven insights are directly translated into practical improvements, reinforcing a proactive and responsive approach to PSR prevention.

Through this coordinated approach, the company bridges the gap between organisational policy and everyday practices. PSR prevention is now embedded in leadership routines, supported by evidence-based tools and monitored through a system of shared accountability across all organisational levels.

2.3. What was achieved?

The company's Sustainable Employee framework represents an innovative approach to workplace management. It encourages managers to tailor their support and development practices to workers' needs and to react quickly if working conditions do give rise to PSR, thereby ensuring that workers remain healthy and engaged over time. This approach makes it standard practice to recognise mental health as being influenced by workplace risk factors. By incorporating well-being indicators into regular performance and sustainability reports (such as those using the SEI), it helps to reduce stigma and ensures that mental health is consistently monitored and addressed. The interviewed worker said that team leaders and managers encourage open communication, so workers feel comfortable discussing mental health issues. In this way, the organisation ensures that well-being is monitored and supported systematically, not only when problems arise.

The implementation of the Sustainable Employee framework has resulted in significant, measurable improvements in both workforce health and engagement. Workers have benefited from enhanced support, including greater access to mental health resources, more open dialogue on stress and well-being, early organisational interventions when risks arise and improved predictability through regular reviews with managers. This comprehensive approach has contributed to a noticeably healthier and more engaged workforce, as observed by the interviewees.

These positive developments are substantiated by concrete data. The overall rate of sick leave in Swedbank Estonia has declined steadily in recent years, dropping from 2.8 % in 2022 to 2.1 % in 2023, indicating a clear improvement in worker health and workability.

Similarly, across branches, the SEI results (scale 0-100) demonstrate a consistent improvement with an upward trend, with scores increasing from 78 (on a scale of maximum 100) in 2019 to 82 in 2020, 85 in both 2021 and 2022 and reaching 86 in 2023. These high and steadily increasing scores reflect sustained improvements in workers' perceptions of psychosocial well-being and supportive leadership, evidencing the framework's effectiveness.

Additionally, the interviewees highlighted that the normalisation of conversations around mental well-being within the company has played a crucial role in reducing the stigma associated with mental health. By embedding well-being discussions into everyday practices, the organisation has created a more open and supportive culture, further enhancing overall workforce well-being among managers and workers.

Swedbank has received several awards in recognition of its commitment to fostering a supportive and sustainable work environment. The company has received the Golden Label for Valuing Mental Health award from NGO Peaasi.ee³, an award established to honour organisations that prioritise workers' mental well-being and take deliberate action to safeguard staff health in the workplace. These initiatives are described in more detail in the Estonian report on psychosocial risk prevention.⁴ Additionally, in practice, the interviewed workers confirmed that these principles are reflected in everyday work culture. This is further supported by the fact that, in 2018, Swedbank Estonia was awarded the Golden Label of Family- and Employee-Friendly Company award by the Ministry of Social Affairs of Estonia.⁵ This national recognition underscores the organisation's dedication to promoting a work culture that values well-being and work-life balance, further affirming its role as a leader in workplace practices using innovative and systematic approaches to PSR prevention.

2.4. Success factors and challenges

The successful mitigation of PSRs at Swedbank Estonia is rooted in a systematic, organisation-wide approach that recognises the intrinsic link between working conditions and mental health outcomes. By explicitly taking responsibility for managing these risks, Swedbank Estonia has embedded psychosocial well-being into its core business strategy and daily operations.

Key success factors include:

- Swedbank Estonia's comprehensive policies on harassment prevention and workload management ensure that PSRs are addressed at a structural level. These approaches are not isolated initiatives but are woven into strategic planning, leadership training and HR processes, making organisational health a proactive leadership responsibility rather than a mere compliance matter.
- Strong endorsement from top management, coupled with ongoing leadership communication and training, has been instrumental in embedding mental health as a core element of workplace well-being. This visible commitment has helped reduce stigma and normalise an open dialogue on PSRs throughout the organisation.
- The integration of the SEI and People Pulse survey into regular HR and compliance processes provides timely, actionable insights into PSRs. Regular measurement through these tools

³ Available at: <https://peaasi.ee/vaimse-tervise-margis/>

⁴ Reinhold, K., & Jarvis, M. 'Psychosocial risk prevention – strategies and legislation/Estonia', EU-OSHA – European Agency for Safety and Health at Work, 2025, pp. 1-20.

⁵ Available at: <https://www.tooelu.ee/et/peres%C3%B5bralik>

enables the early identification of risk patterns and supports evidence-based decision-making. The process is further supported by the option of an ad-hoc PSR assessment. Quarterly management team meetings are dedicated to reviewing PSR data and developing targeted action plans, ensuring that interventions are both timely and relevant.

- The partnership between HR, management teams and worker representatives in the Work Environment committees ensures that PSR indicators are reviewed regularly, actions are aligned with business priorities and follow-up is systematic and transparent. This collaborative structure fosters shared ownership and accountability for psychosocial well-being.
- Organisational agility and support are actively fostered through the framework's emphasis on flexibility, transparent communication and targeted worker support. By prioritising these elements, Swedbank Estonia has equipped itself to effectively manage change and crises, ensuring that workers receive timely assistance when navigating organisational transitions.

Despite the success factors outlined above, several significant challenges remain. Implementing the Sustainable Employee framework has proved to be a lengthy and complex process, largely because of the persistent stigma surrounding mental health. Even with targeted efforts to encourage open dialogue about well-being, many workers have continued to perceive discussions about mental health as a sign of weakness, a perception especially deep-rooted in the high-pressure banking sector. This entrenched cultural barrier has not only discouraged workers from seeking the support they need but has also made it more difficult for managers to identify early warning signs of stress and burnout. As a result, timely intervention and effective support have often been compromised.

A major challenge lay in equipping managers with the skills and confidence required to provide effective leadership in a rapidly digitalising workplace. The abrupt shift to remote work during the COVID-19 pandemic intensified these demands, as managers were suddenly responsible for guiding dispersed teams, maintaining productivity and fostering cohesion without the benefit of in-person interaction. Many managers have struggled to adapt their leadership approaches to the new digital environment, finding it difficult to monitor team well-being, sustain engagement and address emerging issues from a distance. The reliance on digital tools, while essential for remote collaboration, has also introduced new obstacles, since managers have had to contend with technology fatigue among workers and the erosion of clear work-life boundaries.

Additionally, balancing standardised measurement with the need for local adaptation has proved complex. Although the SEI provides valuable data, some managers feel that the questions do not always reflect the nuances of their specific teams or roles. For instance, customer service teams highlighted that while the SEI measured overall work-life balance, it did not capture the emotional strain caused by frequent interactions with dissatisfied customers. Similarly, back-office teams noted that temporary but intense workload peaks, such as during year-end reporting, were not fully reflected in survey results if they occurred outside the survey periods. These gaps sometimes made it difficult for managers to identify specific stressors and take timely, targeted actions. The interviewees suggested that more flexible or comprehensive measurement approaches might be beneficial, e.g. systematic use of the PSR risk identification template by managers. Moreover, allowing teams to adapt certain SEI questions to better reflect their specific context could further enhance the relevance and engagement of the process.

Finally, ensuring consistent and sustained follow-through on action plans across all organisational units requires a high level of commitment and accountability from leadership. The effectiveness of the Sustainable Employee framework relies not only on the design of policies and interventions, but also on leaders at every level taking ownership for implementation, monitoring progress and driving continuous improvement. Achieving this consistency requires persistent efforts to align priorities, maintain transparency and hold managers accountable for translating strategic objectives into everyday practice.

2.5. Lessons learned and transferability

The experience of implementing the Sustainable Employee framework at Swedbank Estonia has highlighted several important lessons for organisations aiming to embed PSR prevention and well-being into their core operations. These lessons reflect both the challenges encountered and the approaches that have proved meaningful in addressing PSRs in the workplace.

A key lesson from this case study is that meaningful progress in managing PSRs requires a cultural change based on concrete structural and procedural reforms. At Swedbank Estonia, the implementation of the Sustainable Employee framework has led to the introduction of systematic tools such as the SEI as a key performance indicator, the integration of quarterly management team reviews dedicated to PSRs, and the development of clear procedures for conflict resolution, anti-harassment prevention, workload management and crisis response. These organisational changes have ensured that PSR management has become a routine and integral part of daily leadership responsibilities, rather than an isolated or occasional activity.

One lesson learned is the value of continuous measurement. The regular use of structured tools such as the SEI has facilitated the early identification of PSRs and supported timely, targeted interventions. This systematic approach has ensured that well-being is actively monitored and managed, rather than being subject to uncertainty or oversight. The regular provision of data and the consistent follow-up have helped to build a routine on how to take PSRs into account. At the same time, the SEI is very short and is not unduly time-consuming or burdensome for workers, which prevents a certain survey fatigue. In addition, as workers can see that the survey results are regularly and promptly followed up, this helps to underpin efforts to keep the topic on the daily agenda.

Another lesson concerns the influence of visible leadership. The fact that senior managers openly support and participate in well-being initiatives has helped to normalise mental health discussions and embed well-being into the organisational culture. Making SEI results a regular topic in management team meetings has further signalled that PSRs and worker well-being are considered strategic priorities.

At Swedbank Estonia, managers who have proactively addressed PSRs have shared their experiences and interventions in management team meetings. This practice has encouraged others to adopt similar approaches and helped disseminate practical solutions across teams, reinforcing a culture of openness, learning and continuous improvement. Moreover, this case underscores the need to equip managers with the skills and confidence to recognise and address PSRs. Training and support have enabled managers to identify early warning signs, such as workload peaks, unclear priorities or emotional strain, and to respond effectively. Integrating well-being reviews into regular management routines has helped bridge the gap between policy and practice, ensuring that well-being considerations are embedded into everyday leadership and decision-making.

The process has also underscored the importance of shared accountability. Involving managers, HR partners, worker representatives and trade union representatives in the design and implementation of the framework has distributed responsibility for PSR prevention and well-being across all organisational levels. This collaborative approach has fostered a sense of ownership and transparency, making PSR management a routine part of daily operations rather than a separate compliance task.

In summary, the Swedbank Estonia case illustrates that a comprehensive approach that combines continuous measurement, visible leadership, shared accountability and skilled management can contribute to building a resilient workforce and a healthier organisational culture. These lessons offer practical guidance for other organisations seeking to make PSR prevention and worker well-being a sustained organisational priority.

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