Breaking up without breaking down?
- A case study on the communication of withdrawal with a period of notice in an economic downturn, pitfalls and remedies.

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ABSTRACT

It has been difficult lately, in the wake of the global financial crisis, to open any given newspaper without finding proof of organizational decline – companies laying off personnel or closing down. The reasons for this action are of course many but the fact that it is never going to be easy to notice an individual and co-worker remains.

The purpose for this research was to; “explore how organisational downsize has been communicated, how the situation is perceived and how the change has affected subjective work motivation among employees and managers”, something which we approached by utilizing a qualitative case study through interviews and an abductive research approach.

The result indicates incongruent opinions between managers and workers as to what had been communicated as well as the extent to which sufficient information about the impending RIF had been provided. There was no sign of general attitude deterioration as a result of the reorganization but there was evidence of a slight decline in motivation for one of the respondents. As to the communication climate there was consensus that vertical communication could easily be undertaken, in either direction.

Keywords: notice, communication, downsize, management, RIF, motivation, trust.
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CHAPTER 1
INTRODUCTION

This section gives an account of the problem background and the purpose for our research. The chapter is opened up by a background description which is followed by a presentation of the research purpose, research questions and delimitations for this study.

1.1 Background

With shortage of information follows decreased motivation and few are willing, or able, to advocate and positively represent something that they don’t understand. Communication is therefore essential and managers’ most important task, according to Hargie and Tourish (2000, pp. 4-5). Organizational change is one example when the need for information is important but, alas, often underestimated, writes Shaugnessy (1986, pp. 23-25). The question that originated this thesis is how a situation of change, such as reduction in personnel, is communicated, by managers, and perceived, by the workers lower in the organisational hierarchy (henceforth employees) – are the two (i.e. sent and received information) congruent? And, if not, what could have been done differently to improve?

Newspapers, television and business journals; they have all lately been replete with information about organizational decline in the wake of the financial crisis. The list of affected companies resembles a never ending “who’s who” and we are all familiar with the story behind the economic downturn, whose magnitude was unprecedented in Sweden due to our business’ strong orientation towards the engineering industry, according to Swedish finance minister, Anders Borg (Dagens Nyheter: Borg Välkomnar Metalls avtal. Online). The consequences of the economical downturn are still very much visible as per spring 2009 – the point in time when this research was started. Although the economy is starting to show signs of recovery today, one year later, there are still organizations that are forced to notice personnel. And not doing so in an appropriate manner is likely to have a very detrimental effect on the organization. One risk factor is work motivation, which Zemke (1990, pp. 27-34) showed typically decreases following organizational downsizing, for employees and managers alike. Also the work atmosphere, which in turn affects productivity, is very much affected by how and when the bad news are made public, according to Fledheim and Liou (1999, p. 63).Another characteristic for organizational downsizing is the level of insecurity which often is very high, as stated by Tourish et al. 2004, pp. 485-516, who also note that the insecurity level remained significant for a long period of time.

The described interconnectivity between the work atmosphere and productivity as well as the longevity of a dampened spirit on the workplace advocates the importance of a well-timed and balanced message. But what exactly is this? Research by Brockner (1992, pp.9-28) interestingly suggests that it is not the message per se as much as how the situation is handled that affects how the action is perceived. Not only Brockner but also Schweiger and DeNisi (1991, pp. 110-135) emphasize the importance of information about the process of change when adopting organizational downsizing. That insight in as well as information about an ongoing change process increases understanding is not surprising, but does this in turn imply that timing, information and support are perceived adequate for a random company which is cutting down on personnel? Against this backdrop we decided to research how a large organization, which has chosen to adopt reduction in personnel as a remedy to achieve happier stock holders, has handled and succeeded in the difficult task of downsizing. And we
therefore settled upon the below research questions that make up the spring board for this thesis, namely whether:

- There is consensus among employees and managers regarding what has been communicated and how the situation which the company is in is perceived?
- Employees and managers express that they have sufficient (i.e. more than what is required from a legal point of view) information about the situation?
- The attitude towards the company has changed due to the withdrawals and, if so, the reason for this change and what could have been done better or what was done well?
- The degree of openness in regard to communication, among managers and employees, is perceived congruently – e.g. can employees discuss questions directly with management?

1.2 Research purpose

In line with the above research questions the purpose for our research is to explore how organisational downsize has been communicated, how the situation is perceived and how the change has affected subjective work motivation among employees and managers.

1.3 Delimitations

Our research focus is on the individuals that has been given notice but still remain with the company, not those who have been dismissed or those whose period of notice has already expired. To further clarify the matter you will find a distinction between the two, with references to Swedish law, in chapter three. We are furthermore not interested in the reason why the organisation is noticing personnel but how this decision is communicated.

The elusive concept of trust will in this thesis, unless otherwise stated, is employed to symbolize a belief in fairness and honesty for another party about something that is yet unverifiable.
CHAPTER 2
RESEARCH METHOD AND METHODOLOGY

This chapter presents our scientific starting points, the background to our research and our preconceptions and also gives an account of our research methodology. The chapter is opened up by a description of our preconceptions and the choice of research subject, which is followed by a discussion of our philosophy of science, research perspective, choice of theories and thoughts about the quality of the material to which we have referred. Rounding off the chapter is an account of how we carried out our literature search.

2.1 Choice of subject

Our mutual interest in management and communication was sparked at an early stage and we believe that communication is essential for every organisation - that good communication goes hand-in-hand with good management, managers being the hubs of the organisation.

A major cost item in companies’ income statement is personnel and this is also where reductions typically are made soon after the conjuncture gives way. Given that an individual’s job typically is a very important part of life these types of messages are of course very difficult to communicate. How do then organisations success in this feat? We, most likely, all have a friend or a friend of a friend who has been let go lately. A, no doubt, very unpleasant subject for the management to communicate to employees but a topical issue which we have pursued with great enthusiasm since it combines two social phenomena, communication and management, that we consider highly interesting.

2.2 Preconceptions

Academic knowledge, together with practical life experience, constitutes an individual’s preconceptions, writes Holme and Solvang (1991, p.95). Preconceptions that are important to consider since they make an individual predisposed to view a problem in a specific light, and with a slight angle, therefore risking to overlook relevant criteria, phrases Lundahl and Skärvad (1982, p. 60). A first step towards being able to make a distinction between personal values and scientific reasoning is awareness of one’s own values, which is a prerequisite for the ability to separate the values from facts. The very same preconceptions can also enrich research by helping to create a clear picture of the problem, guiding the research and find an interesting angle to shed light on the problem at hand, according to Andersson (1979, p. 60). And for these reasons we wish to be open about our background and preconceptions to better allow you to judge the quality of our work.

Our roads crossed at Umeå School of Business where we have been studying at the International Business Program and the Economic Business Program respectively. Our combined knowledge in the field derives from specialization courses in Management, in Sweden as well as abroad. One of the authors has a BA degree in Rhetoric, which most likely has influenced our approach to communication theories. Our understanding of law comes from courses in taxation-, trade- and international law whereas our knowledge about employee law was more of a general nature. We also have a sizeable amount of sociology studies in our combined knowledge baggage, which might have influenced our writing. We
also wish to make clear that we authored a Bachelor thesis in Marketing together spring 2009, marketing being another subject which we have probed more in detail.

As to our backgrounds we grew up at different ends of Sweden, Gothenburg and Skellefteå respectively and consequently come from different social backgrounds, which we believe have enriched our research since it has encouraged constructive discussions and differing viewpoints throughout the journey of this research project. Relevant practical preconceptions come from manpower job in the engineering industry and from start-up and management of a small company with a handful of employees.

### 2.3 Scientific starting-points

It is important to understand the researchers’ methodological assumptions to properly evaluate the quality of work since researcher all “approach the world with a set of ideas, a framework (theory, ontology) that specifies a set of questions (epistemology) that he or she then examines in specific ways (methodology, analysis).” (Denzin and Lincoln, 2005, p.21.) Planning, implementation and evaluation of research should rest on three pillars; epistemology, methodology and method and research quality is high when these three elements are internally consistent. In order to facilitate the understanding of these concepts’ interrelationships we have adopted Carter and Little’s model for qualitative research, which is represented by Figure 1:

![Figure 1. Interrelationships between epistemology, methodology and method. Carter and Little, 2007, p. 1317.](image_url)

Carter and Little point out that there is one important part missing in the above model, namely ontology (Carter and Little, 2007, pp. 1316-28). Ontology being what describes how the researcher perceives the nature of reality; independently from social actors (objectivistic) or as a product that is accomplished by the interaction of social actors (constructionist). The purpose of this study -deepened understanding of a specific phenomenon in an organizational setting -has guided us to adopt a constructivist position, i.e. we believe that the organization cannot be assessed or understood isolated from social actors.

Epistemology deals with knowledge, how it is created and justified. There exist a multitude of epistemological doctrines whereof we have chosen to focus on the two most prevailing - interpretivism and positivism. Positivists “advocates the application of the methods of the natural sciences to the study of social reality and beyond” believing that there are empirical
truths that exist out there whereas interpretivists hold the contrasting opinion that a phenomenon cannot be understood by forcing the rough classification and explanation tools of natural science upon it but rather needs to be interpreted in order to be properly understood. (Bryman and Bell, 2007, pp. 17-23).

We don’t aspire to generalize our conclusions beyond the limits of our case study and therefore classify as predominately interpretivists. Moreover we believe that the knowledge we have gained from our literature review, by itself, impedes us from being strictly objective further encouraging our interpretivist standpoint.

2.4 Research approach

A researcher’s scientific approach is important to clarify since it is about the interrelationship between theory and empirical data. There are three approaches for data collection; deductivism, inductivism and abductivism. The starting point for deductivism is theory, from which it attempts to seek support for the theory in real world data, an approach that often goes hand-in-hand with a positivistic approach. Inductivism is more of a discoverer’s route in that it is characterized by its’ take-off in data where after it attempts to connect data with theory. Last but not least there is the abductivistic approach, which is a combination of inductivism and deductivism, moving both ways from theory to data back to theory.(Johansson-Lindfors, 1993, pp.55-59).

The iterative approach has been the guiding star in this research. Our starting point has been in theory where after we have turned to data and back to theory once more. We believe that the described abductive approach, better than an inductive or deductive approach, will help us to understand and illuminate the problem. An abductive approach is therefore the route we have chosen.

2.5 Collection of data - interviews

The choice between qualitative and a quantitative data collection is to a high degree decided by the purpose for doing research. Both methods may be used in the same study but may also be used exclusively, according to Olsson and Sörensen (2007, pp. 36-37).Positivistic researchers tend to embrace a structured approach along with quantitative methods whereas interpretivists typically are predisposed towards more flexible methods of data collection, state Bryman and Bell (2007, pp.17-21).

There are several ways to approach the actual collection of data, e.g. surveys, experiments, case studies. The last mentioned is generally the preferred strategy to answer questions such as how or why, when the events taking place aren’t under the control of the researcher and when a real-life, contemporary phenomenon, is in focus. Case studies, which this research relies on, often have to endure harsh criticism and it is therefore of utmost importance that the researcher design and carry out the research carefully in order to avoid a hailstorm of critique (Yin, 1994, p.1). A “good case study is patient, reflective [and] willing to see another view”, according to Stake(2000, pp. 12-15), who continues; “perhaps the most difficult task of the researcher is to design good questions, research questions that will direct the looking and thinking enough and not too much”.
For our purpose, trying to obtain a deeper understanding of a selected and specific issue, we have assumed a qualitative data collection method where we have chosen the case study as vehicle. We are aware of the complexity in designing a good interview guide, which is part of the reason why we conducted a full-scale pilot study, which will be discussed more in detail later on.

2.6 Practical method

2.6.1 Pilot study

We carried out a full scale round of interviews with the intention to use this gathered data for our research. Alas a couple of the respondents changed their mind – despite offered anonymity for them and the organisation - not wanting to be part of the study about the time when we were about to compile the interview material leaving us with no choice but to think about this first round as a pilot study. The reason why this, what had become a, pilot study material is not included in this research is therefore on request of our respondents with consideration that their replies might suggest which organisation they work for as well as the respondents’ identity.

We thoroughly evaluated the interview guide after the pilot study and did some minor improvements to it where the replies to our questions where ambiguous or otherwise not clear. We believe that the additional work that the pilot study constitutes did improve the research as a whole as it gave us the opportunity to test drive before collecting the data upon which this thesis is based. As in the subsequent interview round two managers and two employees were interviewed in our pilot study, which was carried out during the second half of 2009. The organisation where we conducted our pilot study, similar to the organisation where we conducted the subsequent study, were both in a process or organisational restructuring at the time. The two organisations business orientation diverse but the uncertainty situation was similar – the future for many of the organisations employees was uncertain, which was an important selection criterion when contacting organisations asking if they wished to participate in our research. We wished, and did, carry out our interviews on organisations of similar size - both listed on Swedish Large Cap. The pilot study was carried out on an organisation in southern Sweden whereas the subsequent study was carried out at an organisation in the north.

2.6.2 Anonymity and company selection

Anonymity for both respondents and the organisation was offered in exchange for participation in the study in regard to the potential badwill that, from our research findings concluded, inter-organisational discord could cause and we therefore do not reveal the organisations identity. Our ambition was to research as large a company as possible that were restructuring and cutting down on personnel and we were in contact with many organisations, each time being turned down, often with reference to time constraints, before we eventually received a positive answer from an organisation that agreed to participate in our study.

2.6.3 Interviews

The second interview round, the one constituting the foundation for this research, was carried out during the first half of 2010. All interviews, both the initial pilot study and the interviews
which you find presented in this thesis, were carried out on location and face-to-face averaging about 25 minutes. No time limitation was stipulated and the interviewees were encouraged to talk freely around the questions asked but many were rather short in their answers. The interviews were conducted in Swedish and were thereafter transcribed and translated into English. What is found in chapter five, empirical data, is also striving to present the essence of the respondents’ answers, without hesitations and errors.

Initial contact was made with the logistic manager at the company and a preliminary interview guide was sent via email. The manager agreed to participate in the study and, according to our wish, referred us to three persons that are working, or had worked, for the company; one middle manager, two workers and the logistic manager. The interviewees were chosen by the company manager based on what he considered appropriate given the research focus. These persons were chosen by the manager but given that the company name isn’t stated we have no reason to believe that the manager’s selection was intentionally biased. Furthermore, the information and work that this thesis constitutes is for free and a useful tool for the company to assess how the communication has been functioning. Should the manager have intentionally presented us with interview persons of a certain stand-point then the company wouldn’t be able to make use of our research. As to the respondents one had been directly affected by the reduction in workforce. Three out of the four interviews were carried out during the same day, one after the other. The fourth interview, the one with the employee who had been let go, was carried out a few days later.

### 2.7 Our research perspective

A research perspective is the way in which an individual observes a phenomenon or problem. Similar to objects, which look different from different angles, research will be affected by the chosen perspective to research. Some aspects may be ascribed higher relevance and others less, among other things due to the research perspective, according to Lundahl and Skärvad (1982, p.62). It is therefore important to give account of the research perspective, which in turn is affected by the researchers own values and interests states Johansson-Lindfors (1993, pp.40-46).

We have chosen to focus on aspects of communication and HR-Management, in particular aspects surrounding withdrawal with a period of notice. Our interest resides in seeking increased understanding for the rationale behind what and how the managers communicate to a worker that s/he is to be noticed and how this message is perceived by the worker.

### 2.8 Choice of theories

More than one single set of theories could be relevant for a researcher to explore a specific issue but our ambition has been to seek support in acknowledged and relevant theory to position our study in a proper context. Our pre-understanding has been our guiding star through the theory field and we have chosen to locate the centre of gravity on scientific publications, striving to keep the number of non-peer reviewed references to a minimum.

### 2.9 Information search

Lund and Umeå University’s Internet databases have been valuable resources when botanizing for articles and information for the theoretical framework but also Google Scholar
and Google Books have been frequently utilized tools. In addition to this daily newspapers, such as Dagens Nyheter and Dagens Industri, have also been important sources of information to acquire information about which companies that are currently restructuring and therefore of interest for the purpose of this research.

2.10 Source criticism

It is important to consider origin, relevance and scientific foundation when judging on the quality of different sources, according to Johansson-Lindfors (1993, pp.88-89). We have consistently strived to utilize peer reviewed material and to seek support in research that has acceptance. We set out to find as topical sources as possible, deviating from this only when we have considered the relevance of the publication to be overshadowing the date of publication. We consider the few instances of references to online newspapers to be of moderate importance for the quality of work since these references are, first and foremost, utilized to present the current state of affairs for the business cycle and in order to provide an easy to grasp overview for you, as a reader.
CHAPTER 3
THEORETICAL FRAMEWORK

This chapter constitutes a tool for the reader to better understand the field of knowledge, within which this thesis resides. The literature review spans from human resource management to communication where after it is rounded off with a short summary.

3.1 View on management

To mediate a vision, making the members of an organisation strive towards a common goal and, at the same time, meliorating a company’s effectiveness is what management is all about. There’s a growing amount of research indicating that individuals are less willing to accept change when being cut-off from the decision-making process, and with a shortage of understanding follows decreasing motivation which in turn will result in employees being less likely to represent the organisation in a positive manner. Few are willing to go all-out in a direction that they do not see as a viable option nor understand and communication is, for that reason, the managers’ most important task and successful managers are those who excel in communication, according to Hargie and Tourish (2000, p. 4-5).

Rousseau (1989, pp. 121-139) presents two types of unwritten contracts - implied and psychological. Our interest resides in the latter, which deals with subjective beliefs of mutual obligations between organizations and individuals. Rosseau suggest that “in employment relationships trust is based on the psychological contract held by an employee regarding the reciprocal obligations between themselves and the organization.” Not honouring psychological contracts therefore involves substantial risk.

Not everyone is convinced that all decision taken by management is well founded, however. Jackson (2001, p. 29) discusses the fashions trends that influences managers’ decisions and suggest that a great deal of today’s prevailing management theories in reality are fads, something which is supported by Newell et al. (2001, pp. 5-15) who argue that managers often adopt radical restructuring programs despite the absence of evidence that the taken action actually do work. If this is correct this is of course alarming but could perhaps be something that surface during our interviews?

3.2 Belongingness and trust

Coleman (1988, pp. 95-120) introduced the term social capital to describe individuals’ willingness to work towards a common goal and assigned two components to social capital - associability and trust. Associability concerns the willingness and ability to interact and work with others for a common cause and trust is a measure of the perceived competence and honesty of the other party as well the will to affiliate with others, showing vulnerability to individuals that we don’t know very well.

Trust is the glue that keeps an organization together. Organizations that stress the importance and uniqueness of their employees and simultaneously devote themselves to reductions in workforce (RIF) risk creating an atmosphere of betrayal and cynicism which is serious since building and maintaining trust is essential for business success. To measure social capital is as difficult as measuring trust but they are both social constructions and very easy to destroy,
according to O’Reilly and Pfeffer (2000, p. 197). When a sense of belongingness is present we are loyal but the bounds of belongingness and trust are fragile and will break easily if loyalty isn’t reciprocal. Workers who haven’t been affected by the RIF (survivors), might start looking elsewhere for belongingness if trust has been chipped away in the process, writes Dekker and Schaufeli (1995, pp. 57-63). It is generally accepted that we believe in non-verbal action over verbal ditto. And when the two are incongruent an organizations may promise the moon and the stars but run a considerable risk of falling short when giving in to RIF.

The psychological consequences of RIFs are difficult to estimate but they are significant since they affect both work atmosphere and productivity. “As cost considerations replace quality considerations the principles of employee empowerment, responsibility and loyalty are sacrificed for a reduction in overhead. This trade-off results in a loss of employee trust in the organization and a betrayal of the concept of work”, writes Fledheim and Liou (1999, p. 63).

The question of how to best communicate RIF, circumventing the negative effects, is an issue that has been subject for much discussion. Cameron et al. (1991, pp. 57-63) presented research focusing on how to successfully layoff white-collar workers and concluded that the process risk spurring inter-organizational conflicts, negatively affect morale, reduce work motivation and commitment. One of the problems, according to Littler et al. (1997, pp. 65-79) is that the survivors live in constant fear of additional RIFs, assuming that the axe will be swung in a similar manner next time around. And the employees’ assumptions and qualms for future RIFs aren’t unfounded. Mishra et al. (1998, pp. 83.95) found that out of all business that devoted to RIF a staggering 67 percent did so again, the subsequent year. Employees, obviously, are well aware of this.

Emotionally wrenching experiences are common for the individuals that are let go and survivors’ experiences of sadness and emotions of guilt are often overlooked, according to Spaniel (1995, p. 23): “Both laid-off and surviving employees share many of the same emotional feelings and survivors have about as hard a time dealing with these feelings as do those who leave the organization”. Workers aren’t the only ones who risk getting pinched in times of RIF, also managers are in the danger-zone. Zemke (1990, pp. 27-34) noted that managers often work longer hours after the company downsized and manages more people in a more hostile environment. Do they perceive that they get enough support from the company given the situation that they are in?

Tourish et al. (2004, pp. 485-516) researched the impact of RIFs on uncertainty and trust. The focus of their study was an Australian health care organisation that downsized from 660 to 350 employees over a period of two years. What makes this study particularly interesting is that the employees were noticed and therefore worked side by side when the research was carried out. Findings were that the level of insecurity didn’t decrease for considerable time after the announcement of withdrawal. The employees also gave expression for a shortage of information regardless if they had been noticed or not.

3.3 Perceived fairness

How is RIFs communicated? Some “stories” are more common than others when it comes to communicate an impending reduction in personnel. Downs (1995, pp. 39-43) suggested that one or several of the below reasons are often utilized when informing about RIFs:
“The lean-and-mean story”: The business climate has become very tough in the aftermath of globalization. New competitors are popping up like mushrooms and the prices of our products are plummeting by the day. We need to reduce our overheads in order to stay competitive: I’m sorry but your job is redundant.

”The strategic flexibility story”: Technology development is, as you know, moving swiftly in our field of business. Products rapidly become obsolete, new products replacing older ones in a staggering pace. It is necessary for us to respond to this by stepping into new, more profitable, areas of business and it is with great reluctance that I ascertain the fact that your job no longer exists.

”The learning organization story”: The key to successful business in a world characterised by change is constant learning and improvement. If we fail to adopt new technology it will only be a matter of time before we’ll be left astern by the competition. Your job has unfortunately developed into something for which you don’t possess the necessary qualifications.

”The mystical management story”: Strong leadership is essential for an organization and management’s most important task is to inspire employees to do more from less. “Sometimes a particular combination of a manager and employees just never seems to develop this kind of rapport. I’m afraid this is the case in your situation, and we don’t see much chance for change. We think it would be advisable that you consider the package we are offering you and to leave [the organization] rather than have your career damaged by the consequences that could occur down the road.”

The “we’re out of money, story”: As you are aware our organization’s performance has been anything but strong lately. “We are now at the point where there just aren’t enough funds to keep all of our employees on the payroll. Since I have been told to eliminate 10 percent of my employees, I have decided that your job is the one that we will have to do without. I’m sorry, but I have no other choice but to lay you off.”

”The eye on the prize story”: We have all been committed and worked hard to reach high set goals this year. The result, unfortunately, isn’t as good as we had hoped. “As the year draws to a close, it has become clear that the only way we will make our goal is to reduce expenses. Each manager has agreed to reduce the staff by one. Because you have the least seniority on staff, your job has been eliminated.”

Story or not, blame remains a common human reaction to ease the burden. De Vries and Balazs (1997, p. 42) discuss the art of choosing the right scapegoat and notes that abstract concepts such as the state of the economy and decreased demand on the market are commonly occurring. Short of other things to blame former organizational leaders often get to shoulder the substantial criticism. De Vries and Balazs wrote: “By displacing blame in this way, management can help employees divert their negative attention from inappropriate targets and thus prevent the possibility of serious damage to the organization”.

De Meuse et al. (1994, p. 525) coined the term “PROACTIVE” for successful downsizing concluding the thoughts of several other researchers in the field:

P - plan RIF with the human resources department
R - rally employees around a “new” corporate vision
O – operate in ways that says “we’re all in this together”
A – actively involve all employees in operational decisions
C – communicate, communicate, communicate!
T – treat terminated employees with respect and dignity
I – increase support to “surviving employees”
V – view RIF as a means, not as an end
E – ensure that executive management is visible throughout RIF.

Appelbaum et al. (1997, p. 278) describes the distress involved in seeing a good friend, and a top performer at the workplace, having to leave since this communicates that the employee isn’t in control of the situation. Individuals experiencing this, according to Waldman and Spangler (1989, pp. 29-59), are deprived of all incentives to perform and will not put in more effort than what is absolutely necessary to reach a desired outcome, which is affects the organisation inimically. Procedural and perceived fairness is therefore very important, which is seconded by Schweiger et al.’s research (1987, p. 130):

“It was apparently not the terminations per se that created this bitterness but the manner in which the terminations were handled... many expressed feelings of disgust and anger that friends and colleagues were fired or were otherwise unable to remain with the firm ... [and] felt guilty that they were not the ones who were let go because they believed their co-workers performed at least as well or better than they did.”

The perceived fairness of the RIF depends not only on whether or not the action can be justified but also on the way in which it was implemented, according to Brockner (1992, pp. 9-28) who suggested the below list of affecting factors:

- Whether the RIF is justifiable.
- If the cut-down is congruent with the organizational culture
- Whether an adequate amount of advance notice was given prior RIF.
- The attention payed to workers (e.g. empathy) during the layoff process.
- Whether or not relevant and sufficient information for the RIF was communicated.
- If the layoff burden was shared at managerial level. Brockner also in this study noted that it was considered unfair by management to benefit on the others’ cost at times of organizational hardship.
- The utilized decision rule for choosing who is to be let go needs to be consistent.
- How the organization treated victims after the cutback.
- Whether the employees themselves were involved in the RIF-process.

It is equally important to prepare a strategy for the announcement of the RIF and also to execute the plan very carefully, according to Smeltzer and Zener (1994, pp. 3-9).Factors such as from who and what source the employees learn about the impending RIF, the message’s framing and the timing are all important to consider. Smeltzer and Zender also presented guidelines for announcement planning which stress the importance of a humane approach and to deliver a message that is thoroughly developed and planned and which seeks to mitigate rumours as a source of information. Given this the research carried out by Schweiger and DeNisi (1991, pp.110-135), which investigated communication’s effect on organizational change in two Fortune 500 companies where a merger program had been recently announced, is interesting. Employees at one of the two plants were given information in line with what was common in the company, on a level that was decided by management, whereas the workers at the other plant were provided given more complete information, a realistic merger
preview, which had been designed by the researchers. The study showed that the factory workers receiving more information showed less uncertainty and more trust for the company than those receiving less information. There should hence be little doubt as to the importance of sufficient communication. It should also be mentioned that none of mentioned research referred to suggest that it is possible to entirely circumvent all the negative consequences from RIFs, merely to mitigating them.

3.4 Sufficient communication

Underestimation of the need for information is a returning problem in high uncertainty contexts such as RIF. Shaughnessy (1986, pp. 23-25) studied this phenomena in the American public sector concluding that few experienced that they had received sufficient information about the organisational change. Although communication typically is increased the jump bar will be continuously raised to new highs during RIF and employees might therefore still experience a shortage of information. A common mistake, according to Greenhalgh (1983, p. 442), is that managers fear to be open about an upcoming RIF in the belief that playing with open cards will create misbelieve and resistance: “The case against advance notice is based on the conventional wisdom that job losers should not be provided with information concerning job loss for fear of theft, vandalism, premature exit or low morale”. But the effect is quite the opposite and by hushing an impending reorganization managers give room for rumours, which is far worse, writes Johnson et al (1996, pp 139-164). To prevent rumours from spreading employees should be provided with as complete information as possible. Starkweather and Steinbacher (1998, pp. 110-112) researched Elo TouchSystems, an organization that increased its’ product volume by 30 percent and productivity by 6,5 percent following downsizing. “The company provided its’ employees with as much information as it could, as soon as it could. The decision to move the company was announced almost before the echoes had faded in the boardroom“. A dedicated newsletter was created and employees were encouraged to inquire for the truth of any rumors, independent of their nature. The managers were furthermore open with the health of the company, performance, profit and other important business related issues. This employee focused approach for managing the transition - by some considered unnecessarily expensive – in this case proved to pay back manifold. It is often not as much the organizational change itself as the uncertainty that surrounds it that is most difficult to cope with, according to Napier (1989, pp. 271-289). The fact that employees turn to rumours and other questionable sources of information, short of sufficient information should come as little surprise.

Buono and Bowditch (2003, p. 92) researched mergers and acquisitions but the aspects on communication are nonetheless interesting also for this thesis. For instance that: “...despite efforts to maintain confidentiality ...words, leaks out anyway, and rumour mills and the grapevine work overtime, leading to more anxiety and, in many instances counterproductive behaviours”. The importance of adequate communication cannot be stressed enough. Rumours should be sought to be anticipated and anxieties, as well as uncertainties, should be confronted at an early stage, asserts Rosnow (1988, pp-12-28). RIFs risk creating wounds that will take long to heal and it is essential to be clear with the good reasons – provided that such exists, of course. Feldman and Leana (1989, p. 56) investigated corporate downsizing’s effect on work performance as well as how cutbacks were handled and perceived and noted that advance information strikingly often wasn’t given: “The actual risks associated with giving advance notice are much lower than managers think they are”. A noteworthy peculiarity, put forward by Rikey (1992, pp. 9-13) is that productivity often increases initially following RIF simply because employees work harder, trying to hang on to their job.
3.5 Communicating the state of things

3.5.1 The message

When discussing ways to communicate layoffs most researchers in the field agree upon that the central point should be the actual message. Some of the questions that come to surface regarding the core message are; accuracy is the message precise? Is the message comprehensive and in accordance with the management’s purpose? Clarity, is it easy to understand? "What is said is just as important as how it is said", according to Marek et al. (2003, pp. 130-141).

O’Connor emphasizes the importance of enlightening the rationale regarding any impending layoffs. Thus, an employee will want to understand why he or she is losing her job and not their fellow coworker. He continues to argue for the importance of being clear, convincing, compassionate and humane when communicating potential layoffs, McShulskis (1997, p.22).

Since the people getting laid off mostly are “blue collar” workers David Noer stresses why managers should use a language that the workers understand. Hence, not using business jargon because of the obvious reason that most “blue collar” workers do not hold a degree in business, Noer (1995, p.38).

For executives and managers to take the above-mentioned statements in consideration they should plan for every kind of situation and question. The Ammarman Experience (2000), a communication firm, claims that if executives and managers want a smooth transition for the firm they should not only plan for different situations but also put in consideration if they need to hire professionals to write, review and discuss the messages. The reason for this is that the people communicating the layoffs should “sing the same song”, as they put it.

Dr. Wayne Cascio suggests employers to invite their employees to participate in what he calls “group sessions”. The point with these sessions is to get ideas from your staff on how the firm can cut costs without laying off personnel. He continues that managers would be surprised how creative workers can be when risking losing their job. Also the session works as “painkiller” if the laid-off employees know that their superiors did everything possible to cut costs before any redundancy notices were announced, Hong Kong Imail (2002).

3.5.2 Framing the message

The art of framing one’s messages is often neglected in the process, because it is undoubtedly a process when it comes to layoffs. Professor John Guivinen, declared to Marek et al. (2003), identifies two essential problems in firm’s communication of layoffs. He believes that companies often tend to establish guilt instead of dealing with the grief that follows downsizing and that emphasize often is on change rather than on transition. This, claims Guivinen, is a mistake since it “adds turbulence to the environment and uncertainty to the workforce. The emphasis should be on…transition instead of specific results expected by a specific date”.

Another aspect of layoffs is the opinion of the survivors, who need to feel that their superiors are in control of the situation. Managers, according to Noer, need to show that they are in
control and that they are looking for their employees’ interests. Besides all the written information that should be presented to employees Noer names positive body language as a very important feature in framing one’s messages, Noer, (1995, p. 42).

Rumors are yet another infectious factor when it comes to redundancy notices. Inevitably rumors will begin to flourish in an organization on the verge to layoff personnel. Marek et al. (2003) suggest that “managers must take an active position to quell rumors and inform employees about what is happening to the company and why”. The result of good communication regarding rumors is that an executive gets the chance to inform the survivors that the outcome of the downsizing is a healthier firm.

3.5.3 Sender

Even though it is amongst the most painful attributes of an executive’s or/and manager’s job tasks, it is nevertheless critical to delegate the task of laying off personnel to the right person/s. Robbins, cited in Marek et al. (2003) research, believes that since employees first and foremost are loyal to their managers and then the firm, it is of great importance that they, the workers, learn about layoffs from them.

The executives job is then to make sure that managers, at all levels, who are appointed to communicate layoffs, are well prepared are receive all support needed. Gillette, (2001), in accordance with Robbins, continues with stating that executives should not assume “that managers or supervisors will know what to say and how to handle sensitive conversations”. With this quotation in mind, one can see how friendship bonds between workers and managers become tested in a downsizing situation. That fact combined with the reality for most managers at lower levels, which consist of “seemingly uncaring corporate directives, legal warnings, and a lack of experience in large – scale firings” as Wilson (1991), puts it paints a picture of an uncomfortable situation for the managers in charge of layoffs.

First and last, pinpointed planning and specific guidelines on how to implement the layoffs should be at the disposal for managers.

3.5.4 Receiver

When it comes to the people receiving a redundancy notice the most noteworthy is that they do not want to hear the news from a third party according to Marek et al. (2003), which sometimes is the case in larger companies. Also, depending on how big the layoffs are, union and local leaders should be noticed in advance, The Ammerman Experience (2000).

Marek et al. (2003) continue to argue that media also is an audience of layoff messages, again depending on how substantial they are. When it comes to media it’s better to be proactive so the company can “guide” them in to the information they want broadcasted. And not having reporters scrutinizing every move looking for errors in the process. Besides these two major receivers of the message there are also others to consider. Customers, suppliers, creditors and banking institutions are all important for the company and therefore of importance when it comes to communicating layoffs.
3.6 Summary

Ample communication in due time is essential in a high uncertainty context, such as organisational change. And it is equally important that the message is well considered, delivered and timed. Openness regarding the organisation’s health and performance will increase understanding and acceptance for the action. “Employees who have full knowledge of the company's finances and its industry' feel personally in control amid the uncertainty”, according to Mishra et al. (1998, p. 88).

Figure 2 - From Message to Perception. Illustrates the path from sender to the receiver and the hurdles in the way.
CHAPTER 4
WITHDRAWAL AND DISMISSAL

The purpose of this chapter is to present relevant Swedish Employee Law, making a distinction between dismissal and withdrawal with a period of notice. We have chosen to make a fairly detailed separation between the two because of their relative complexity and to facilitate understanding of our continued discussion.

4.1 Downsizing and Swedish Law

Employers had more leeway for laying-off personnel in Sweden prior to 1974, when the Employment Protection Act (EPA), replaced by EPA 1982:80, was legislated. EPA was introduced in order to provide employment security for workers. Restricting arbitrary decisions concerning lay-offs was considered more important than the created threshold for employment that the new law created (Adlercreutz, 2003, p. 112).

The law is multi-faceted even within this relatively narrow field and what is presented below is therefore a mere outline of distinctive characteristics of the EPA that we have cherry-picked to highlight differences that we consider important. Many contingent matters and aspects of employee law have thus been disregarded, such as e.g. priority to re-employment or liability for damage, to mention but two examples. However, since the EPA embraces more or less everyone, most of us consequently have an opinion about what is right and what is wrong. Note that the below paragraphs refer to Swedish EPA (1982:80) unless otherwise stated (Gregow, 2009).

4.1.1 Withdrawal with a period of notice

An employer can terminate an employment contract with support in § 7 but the notice must be based on objective grounds, according to the aforementioned paragraph. The burden of proof of objective ground fall on the employer and the notice shall be declared void when objective ground is missing (Lunning and Toijer, 2006, p. 322). The minimum period of notice is one month for employers and employees alike but this time frame is subject to extension up to a maximum of six months, depending on the aggregate length of employment, according to § 11. A paragraph that was introduced January 1st 1997 and is semi-dispositive, meaning that it can be circumvented by collective agreement (Glavå, 2001, p. 350). An employee may, furthermore, account for the aggregated employment time with different employers when they belong to the same business group, according to §3, item 2.

Objective ground is not considered to exist when reallocation is an option, according §7, item 2. The employer is obligated to investigate the possibilities of reallocation and to present these for the employee. Reallocation must not, however, be done on the expense of dismissal of other employees (Källström and Malmberg, 2006, p. 138). Furthermore, neither merging nor acquisition of business provide objective ground for notice, according to § 6b. Exceptions being when the aforementioned invoke other economical, technical or organisational reasons for changing the workforce composition, according to §7, item 2. Examples of valid reasons for notice are negligence or absence from work, criminal acts or inappropriate behaviour (Glavå, 2001, pp. 39-323). Deficient loyalty or cooperation also constitutes objective ground for notice, notes Källström and Malmberg (2006, p. 132). The matter is somewhat complex.
but complemented by other law concerning e.g. discrimination, union work, parental leave or absence for educational purposes. There also exist additional accepted procedures that clarify the nature of what is to be considered objective ground (Lunning and Toijer, 2006, p. 318). Each case is unique but it is often more difficult for large, than small, business to terminate an employee contract with a period of notice since reallocation possibilities typically increase with the size of the business. In addition, consequences of changing work environment often affect small business more than large ditto, giving the smaller firm more elbow room, writes Lunning and Toijer (2006, p. 328).

Notice must furthermore not be based on a circumstance which dates back more than two months in time, provided consent for this isn’t given from the employee and that there are no other extraordinary circumstances for invoking such action, according to § 7. The notice shall, when possible, be provided in person as well as in writing, according to §§8 and §9. Both the employee and the trade union shall be notified in advance providing them with the opportunity to discuss the situation and to claim the notice invalid, according to § 30. When an agreement cannot be met between the parties the dispute shall be decided in the Labour Court (LC), (Lunning and Toijer, 2006, p. 318).

4.1.2 Dismissal

Dismissal is an option for an employer when the employee has grossly neglected his obligations, according to §18. Unlike withdrawal with a period of notice dismissal has direct effect. The employer is obligated to give notice of dismissal one week in advance, according to § 30, but s/he may bar the employee from the workplace during this time provided that this is justifiable from security or investigation reasons. Neither age nor length of employment shall be taken into consideration when dismissal is a pressing issue. (Lunning and Toijer, 2006, p. 546-666). It is the employer’s duty to notify the employee both in writing and, if possible, in person according to § 30. The written notice of summary dismissal must state appropriate procedures in case the employee should wish to proceed and claim damages or seeking to declare the dismissal to be invalid, according to §19. The employee may, under certain circumstances, move the dismissal to be rejected and the employment shall continue in cases where there is no objective ground for the dismissal, § 35 item 2. Dismissal is, similar to when giving notice, invalid when it is based on circumstances that occurred more than two months back in time, according to §18, item 2. The employer is not, however, obligated to reallocate the employee when dismissed, § 18.

There exists an impressive corpus of court cases indicating on what ground dismissal may be made. In LC 2002:74 an employee deliberately and repeatedly mislead the employer causing the employer economic damage. Another case is LC 2003:32 which reflect a case in which an employee attempted to mislead the employer by providing false statements after having had sexual relations with a patient. Dismissal was considered undertaken on objective ground in both these cases. Dismissal is consequently appropriate in cases of misconduct the line of work, or elsewhere - if serious enough. (Lunning and Toijer, 2006, p. 546)

4.1.3 Our focus – withdrawal with a period of notice

There are, as discussed, central differences between dismissal and withdrawal with a period of notice. The latter is possible on two different grounds; with reference to personal reasons and shortage of work. Notice will precede termination with one to six months whereas dismissal
cannot be applied with reference to shortage of work, which the busting business cycle has brought about on broad front. The number of withdrawals with a period of notice has increased due to the financial crisis and employees in Sweden, unlike some other countries, consequently work side by side a varying period of time before definitive job termination. Or re-employment, should the inflow of orders change for the better. Our focus is to carry out our study during the period of time when individuals are noticed and still are waiting for the period of notice to end and the final decision in regard to their employment.
CHAPTER 5
EMPIRICAL DATA

This chapter presents our research data. The structure will be based on our five concepts, as seen in chapter three – Theoretical framework.

5.1 Interview data

Background Questions

When designing our interview guide we wanted a question noting the period of time that our respondents have been working for the organization since this might affect how they perceived the situation of downsizing.

- How long have you been working for this company?
  - Logistic manager: I’ve been working for this company since 1990.
  - Middle manager: Been working here for 14 years.
  - Worker (Noticed): I’ve worked 6,5 years for the company

The period of time which our respondents had been working for the organization ranged from 6,5 to 20 years. The logistic manager had been working the longest time for the company, followed by the middle manager, with his 14 years at the firm and the surviving worker, with 9 years, and, lastly, the noticed worker with his 6,5 years with the organization.

- What is your job description?
  - Logistic manager: Logistic Manager. I’m responsible for the logistic department here in Umeå.
  - Middle manager: Middle manager: Managing incoming goods, responsible for the truck park and the purchase of material.
  - Worker (Survivor): Receiver of merchandise inventory.
  - Worker (Noticed): Had several posts. Began with dispatching goods but have also worked as a team manager. Have also worked in a team to rebuild the company’s interior.

- Were you affected by the latest redundancy notice?
  - Logistic manager: No, I wasn’t.
  - Middle manager: Not yet but I will be since I’ll become redundant when this division is shut down.
  - Worker (Survivor): I haven’t yet been affected.
  - Worker (Noticed): Yes, I am now.

The latest redundancy notice affected only one of our interviewees - the noticed worker. The other three respondents had not been affected.
**View on management**

The first question of measure was the one about perceived necessity of redundancy notice, which was an important question because we wanted to get a hint about our respondents view on the necessity of the redundancy notice, i.e., what their opinion is compared to how the management sees the situation.

- **Was the redundancy notice necessary?**
  - **Logistic manager:** The decision of closure could have been avoided but given that that decision was taken the redundancy notice became a necessary evil.
  - **Middle manager:** I don’t see any reason to shut down the company’s division here in Umeå - it has been doing just fine. One become angry and disappointed at first but then realizes that it’s a profit making company that needs to care about the stock holders.
  - **Worker (Survivor):** It sucks that they moved the operations to southern Sweden, Borlänge. And the quality hasn’t improved either, at least not as far as I’ve heard. Moreover deliveries to Umeå are late, I think.
  - **Worker (Noticed):** The last round of downsizing was surprising and I have difficulties seeing how it can be profitable to the operating down south, shipping the goods back up north again. The second notice was more expected. Has been in the air the past 3-4 years or so that something was about to happen but it’s plausible that everyone wasn’t prepared for the scope of this notice – that everyone has to leave – but it should be few that was caught on the bed of the message as such.

Our respondents’ answers differed from each other although there was some similarity in the answers provided by the two managers’ as well as in the arguments provided by the two workers. Both the managers believed that the decision to shut down the unit in Umeå was premature and could have been avoided, but didn’t clarify how it could have been avoided. But given that decision they, the managers, believe that the notice as such was necessary. The workers on the other hand first off seemed to be in agreement with their managers regarding the unnecessary closure of the unit in Umeå. “It sucks that they moved the operation to Borlänge” - W(S). W(S) also went on explaining the downsides of the closure from his point of view. These consist of non-improvement of the quality, deliveries to Umeå (where the products are then redistributed to the rest of the firm’s business locations in northern Sweden) being late. The noticed worker, WN, added that RIF “has been in the air the past 3-4 years” putting forward that few find this surprising at this time.

**Belongingness and Trust**

- **When did it come to your knowledge that the company was going to give notice?**
  - **Logistic manager:** There are investigations, dated 2003, made by McKinsey that analyses the company’s structure. The consulting firm concluded that the company’s division in Umeå was to be discontinued. The change in our other division was more surprising but we’ve had difficulties to reach a high enough turnover rate simply due to too few customers. We are the smallest unit for the company as a whole.
  - **Middle manager:** It was during spring 2008 that we learned that an investigation was going to be carried out and last fall that we learned that this unit would be shut down.
Worker (Survivor): I don’t recall the exact date; possibly last fall.
Worker (Noticed): The previous round of notice came to my knowledge through an article in the newspaper (VK). I did not receive any information whatsoever about it before from my superiors.

When it comes to the period of time they found out about the companies plans of noticing personnel our interviewees discuss two different situations. One regarding the layoffs of unit XX made in early 2009 and one regarding the companies’ potential closure of the Umeå unit as a whole. Our interpretation of this fact is that, in regard our respondents’ position in the company hierarchy, the managers could trace the impending downsizing back to an earlier point in time compared to the workers.

LM talks about how he knew that the organization didn’t have Umeå on their future logistic map as early as 2003 and that the RIF made on unit XX came more surprising. Even though he also states that he knew of bad turnovers for the specific unit for some time due to too few customers. MM describes how he learned that an investigation was being made and how he found out during fall 2009 that the unit as a whole was to be shut down. WS cannot recall when it came to his knowledge but throws out fall 2009 as a potential period. WN on the other hand is more certain stating that “the previous round of notice came to my knowledge through an article in the newspaper, Västerbottens Kuriren”

What is the situation for the company in 6 months’ time from today regarding the number of employees/layoffs?
- Logistic manager: In six months’ time from today the situation is going to be similar to what we see today. In 12 months’ time the workforce will be reduced, but I don’t know by how much.
- Middle manager: If the time schedule holds all activity in Umeå will be shut down by then.
- Worker (Survivor): I think we’ll have the same manning 6 months from today but it will probably decrease relatively quickly thereafter cause there are discussions that the Umeå division will be shut down sometime by January/February 2010.
- Worker (Noticed): In six months’ time I doubt that we have one single individual that is employed by the hour. In twice that time from today I don’t think there will be a single job opportunity with the company remaining in Umeå.

There is consensus among the respondent as to the predicted manning 6 months’ time from today. Expanding the horizon they all agree that the number of employees will be decreased, given the current state of affairs. The most negative forecast of the future was put forward by the noticed worker, he foresees a situation where there is no single job opportunity left in the Umeå division within 12 months.

Do you believe that this is the last redundancy notice within foreseeable future?
- Logistic manager: Not for the company as a whole. The only thing we can be certain about is change – that nothing will stay the same.
- Middle manager: No, there will be others. The company will review the organizational structure and my feeling is that they will strive for continuous development by increased centralization.
- Worker (Survivor): By next summer the production will be closed but the office will still be here. I’d give the division managing orders 2 years then they’ll probably have to move as well. Can’t really see how they will manage when they reached the form of structure that they are striving for.
Worker (Noticed): No, I don’t think so. But I’m not an opponent to downsizing, provided that it is for a greater good. After all it is a profit making company that needs to be on its’ toes. Not because it would perish if it didn’t but because they need to be able to raise capital.

They all agree that this restructuring isn’t likely the last in a foreseeable future. The middle manager thinks that the company will strive towards even more centralization and also the worker paints a picture of the future in which he describes how more divisions will be shut down.

Has your attitude towards the organization/company changed as a result of the notice?

Logistic manager: One is obviously a bit disappointed directly following this type of messages, but not any longer. Looking at the state of things today the rational rather than the emotional side is dominant. I mean; I do understand the rational in the decision.

Middle manager: It is evident that one is affected. It is difficult to maintain the same level of motivation but I have a job to do and am trying my best to do it well and to motivate the workers to the best of my ability. I certainly became angry with the company. We are the company’s last major outpost in northern Sweden so I wouldn’t have though that we would need to shut down but reality has landed and as long as I’m still with the company I’m intending to do my job properly.

Worker (Survivor): No, it hasn’t.

Worker (Noticed): No, it hasn’t. My thoughts about the company are similar today as before. The difference is that the preconceived ideas I had before have increased somewhat.

The logistic manager express a sense of disappointment following the announcement but also says that he understands the rational in the decision. The middle manager articulates feeling angry at first and describes difficulties maintaining the same level of motivation as a consequence of the announcement. The only one for whom the attitude towards the company didn’t change at all was for the workers. Most noteworthy is the noticed worker’s input: That nothing has changed when it comes to the attitude towards the company but that the ideas he had has been increased.

The fact that he stated that “the ideas has increased somewhat” tells us that they were not that positive to start off with.

Do you feel belongingness to the organization?

Logistic manager: Having worked for this company, at different posts, for a long period of time I do feel belongingness. I do feel for this company.

Middle manager: Yes, I do. Also as a middle manager I’m given the opportunity to influence quite a lot. One, of course, has to face negative things, such as noticing personnel, as well. Really sad having to communicate that type of decisions.

Worker (Survivor): Of course.

Worker (Noticed): Yes and no. I’ve always worked a lot of hours for this company and in this way feel a sense of belonging but I do not back the ideology of the management.

The sense of belongingness to the organization is consistent for the respondents but the MM puts forward that the last period of time, having to notice personnel, has been particularly tough. “The situation can be quite tough”, he says, and continues: “I’ve been noticed myself
but still need to work and care for the welfare of the workers. Need to make sure they are OK and to register any signals from them”.

**Perceived fairness**

- **What is your opinion about the timing of the notice?**
  - *Logistic manager:* One always has opinions, of course, but given the extent of an as long process as this one good timing is always going to be difficult. The strive is to avoid this type of messages in conjunction to e.g. Christmas or the vacation period but there is always going to be someone who considers the timing to be badly chosen.
  - *Middle manager:* It was really quite expected since they said well in advance that they were going to carry out an investigation. We knew that more information was to be given after last summer but we then got informed that the decision would take somewhat longer. Things happened quickly thereafter. Once the board had made their decision they chose to pass on the information as soon as possible in order to avoid rumors from spreading, which hit us middle managers since it didn’t give us much time to prepare and inform the personnel.
  - *Worker (Survivor):* There is hardly anything such as good or bad timing in this case but it is a pity that they chose to shut down now, during the low conjuncture.
  - *Worker (Noticed):* Less than perfect. They didn’t need to implement this change right now but could definitely have waited until better times, when finding another job would have been far easier. The notice rather a rationalization of a concept that did work very well.

They are all of the opinion that there is no such thing as good timing when it comes to issues such as this. The workers think that the firm could have chosen a better timing for the RIF since the low conjuncture, as mentioned before, makes it more difficult for the noticed personnel to find new employment. The LM describes how the firm tried to avoid Christmas and vacation periods whilst at the same time stating that there is always someone with the mindset that the timing is badly chosen. The MM let known that because of the quick process, as he described it were, he was not fully prepared to inform and prepare his staff, which in turn affects him in a way that leads to a decline in the attitude towards the firm.

- **Did rumors precede the official redundancy notice?**
  - *Logistic manager:* Not this time around. There have been speculations that this business unit would be shut down but no pure rumors. Last time around we noticed however, also during 2009, there were rumors preceding the official announcement to an extent where we chose to deviate from the plan, instead serving the facts to meet the rumors, preventing them from spreading even more.
  - *Middle manager:* No, not really, but one could easily tell the day of the meeting that changes of some sort were on the way.
  - *Worker (Survivor):* Yes, there were rumors. A lot of gabbing to and from. Not sure whether all of the rumors came to the management’s knowledge but there was a
lot of speculations in the warehouse that a department was to be closed. Some
rumors claimed that the entire division was to be shut down. When the day for the
official announcement drew closer management informed how the chat was going
among them.

Worker (Noticed): Yes, indeed. Plenty of rumors. If there is something that spread
quickly than it is rumors. It’s a relatively small unit and given that the atmosphere
permits socializing between managers and workers rumors can easily spread
vertically, to employees. The rumors weren’t met by the management who rather
pretended that they, the rumors that is, didn’t exist than attempting to
communicate with the personnel.

Our respondents’ answers to this question can be divided into two categories, one which
considers that rumors preceded the RIF and one which is of opposite opinion. Not surprising,
the managers are the ones with the opinion of rumors not preceding the RIF, at least when it
comes to the latest decision of the unit as a whole shutting down. Regarding the RIF in unit
XX, the logistic manager states that rumors preceded the official announcement, which led to
us being forced to meet them with facts.

WS describes the same situation and agrees with the LM, on the above, with the addition that
management met the rumors first when the day of official announcement was a few days
away. The WN was of a different mindset describing a situation where the managers never
responded to any rumors and rather let them flourish by pretending that they did not exist:
“The rumors were not met by the management, who rather pretended that the rumors didn’t
exist than attempting to communicate with the personnel”. The WN also aired his theories as
to why rumors started spreading in the first place saying that the reason is as simple as the fact
that managers and workers socialize in an open atmosphere and therefore information,
conformed or not conformed, can easily be spread vertically.

➢ How was the redundancy notice framed and legitimized? (Metaphors?)
  • Logistic Manager: We called for a general meeting. Last time around, when changing
    the other division, I was responsible but this time it was the company’s chief logistic
    manager who was responsible. He visited in November and informed that a new
course was to be taken. The definitive decision was taken this February when my
superior – the position in between the logistic manager and me – visited and lead the
meeting.
  • Middle manager: We have only received the decision that this division will be shut
    down and we are waiting for more information. Looking back at the last notice
everyone was informed in due time. I still have difficulties seeing the environmental
benefits from relocating the operations to southern Sweden though but both workers
and managers understand the motive – money. And caring for the stock holders. That
being said any company can improve when it comes to noticing personnel but I still
think we’ve done well on this point. Several of those who had to leave last time have
been reemployed. I think that the many would agree with me when I say that it worked
out OK, although there is still room for improvement.
  • Worker (Survivor): We were called to some general meeting for the building and the
    “top dog” proclaimed what was about to happen. But, as mentioned nothing concrete
regarding the benefits of this action, only that it would be shut down.
  • Worker (Noticed): They were very fast to say that the decision came from above, that
they were merely following directives from higher management.

WN indicates that the local management was quick to put the blame on higher level in the
company hierarchy and that they are merely following directions. The logistic manager stated
that the firm sent a higher ranked manager so that he could avoid the “bad guy” label. The WS, as mentioned earlier, missed concrete information about the benefits whilst the middle managers opinion is that “the many would agree with me when I say that it worked out OK, although there is still room for improvement”.

- **How was the turn taking framed and legitimized? (Metaphors?)**
  - **Logistic manager**: The decision was legitimized by the fact that the action will save the company a lot of money. The turn taking is a result of the negotiations with the union which in turn is based on LAS.
  - **Middle manager**: Strictly LAS, so nothing strange there.
  - **Worker (Survivor)**: They followed LAS-regulations. Those who had worked the shortest time at the company were noticed.
  - **Worker (Noticed)**: They employed LAS. Was quite tight, they even had to count days in some cases.

There was consensus amongst the respondents that the company strictly followed LAS when it came to the turn taking. There were also suggestions made by the WN that it “was quite tight, they even had to count days in some cases”.

- **Do you consider the order of priority to be fair?**
  - **Logistic Manager**: Judging on fairness is rather difficult and I therefore prefer not commenting on that question but this what the legislation looks like.
  - **Middle manager**: I think so. Suppose it’s the only way, according to LAS. In case someone has certain desirable qualifications the company could always negotiate in the specific case.
  - **Worker (Survivor)**: Yes.
  - **Worker (Noticed)**: My personal opinion is that it isn’t. I’m very much an individualist and consider that personal characteristic should play a role in this type of decisions.

The WS and, to some degree, the MM consider the order of priority to be fair. The logistic manager merely establishes that LAS is the order of priority and chose not to comment whether or not it is fair. The WN’s answer is the one that stood out: “My personal opinion is that it isn’t. I’m very much an individualist and consider that personal characteristic should play a role in this type of decisions”

In the following question our aim was to find out whether or not the respondents believe that someone higher in the company hierarchy withheld information.

- **Logistic manager**: When the negotiations with concerned parties were concluded the decision was made public. Several persons certainly had information before that but the matter then was in a state of investigation.
- **Middle manager**: There are rules to follow. The logistic manager, who is responsible, received a time schedule, which he followed and we, the middle managers, in turn followed our time schedule to the workers so there were no one who was holding in information. They certainly knew before finishing the negotiations but they couldn’t go public until finishing. It worked out just fine.
Worker (Survivor): I believe those higher up sat on the information for quite a while before telling us. This type of things doesn’t come overnight and need to be thoroughly considered not to be hasted.

Worker (Noticed): I definitely believe that there were people higher up who have had this information for a significant period of time. Probably a decision that was taken a long time ago. I mean, given the fact that we, the workers, anticipated that something was in the wind already 5 years ago. I mean; how didn’t the management know where this was heading?

We can see a difference in the perception of the people higher up in the company’s hierarchy knowledge level regarding the impending RIF. The logistic manager does not secrete the fact that some people knew of the situation beforehand, justifying this with the fact that the matter then was under a state of investigation and therefore not yet official. An interesting input is the noticed worker’s: “I mean, given the fact that we, the workers, anticipated that something was in the wind already 5 years ago. I mean; how didn’t the management know where this was heading?“. The MM’s and the surviving worker’s reasoning are of similar nature as their respective counterparts’ way of thinking.

**Sufficient Communication**

- Do you consider the information accompanying the redundancy notice to be sufficient?
  - Logistic manager: To question a decision like this one is sound but I believe that we have presented good arguments and there is information, calculations and other things, which show the gains for the company with taking this action. The fact that one perhaps doesn’t immediately accept the decision isn’t a strange thing but the nature of the matter as such can hardly be treated differently than to be accepted even though the road there might sometime be long.
  - Middle manager: I believe so, yes, but one still experiences a shortage of information, which is due to the secrecy demands surrounding a corporation; one cannot disclose all facts before all pieces are in place and the negotiations with concerned parties are finished. But yes, I’d like to have more complete information. I understand that it is difficult to communicate sufficient information to every middle manager and worker. And it is the workers that become pinched the worst as a consequence of the fact that the middle managers at times don’t have the whole picture.
  - Worker (Survivor): No, I don’t think we have received enough information. No background information or how much the company will profit from taking this action. I miss information about the economical aspect. And the environmental aspect as well since the goods, from now on, will be shipped all the way from southern Sweden.
  - Worker (Noticed): No, definitely not. And it isn’t a strange thing really. The managers are often times internally recruited and lack adequate education in management and simply do not know how to handle the situation.

This question puts the interviewees’ subjective level of received information in focus. The LM says that the firm provided good information and calculations about the reasons for the RIF and continues that the situation as such is of a nature that cannot be dealt with in a different manner. The MM agrees somewhat with the LM that the firm put out sufficient
information but also adds that additional information would have been good to. The MM has an understanding approach to the firms’ actions, information wise: “I’d like to have more complete information. I understand that it is difficult to communicate sufficient information to every middle manager and worker”.

The workers on the other hand are of an opposite opinion - the firm did not provide any background information at all. The WS states that he misses both the economical and environmental benefits of the RIF. And the WN goes further to explain the reasons for the lack of information; often managers are recruited internally and therefore lack adequate education in these matters.

➢ How’s the communication climate at the company; to what degree is vertical communication possible?
   - Logistic manager: Workers regularly come to me to discuss. No problem.
   - Middle manager: It’s the logistic manager who’s in charge for this division and we discuss directly with him, something which is possible for everyone. We, in Umeå, are the smallest unit and everyone knows everyone. Contacting someone one step higher in the hierarchy is more difficult and would have to be done via either the logistic manager for this division or through the union.
   - Worker (Survivor): Discussing a matter with the middle manager is very easy, and the logistic manager as well for that matter. Never a problem.
   - Worker (Noticed): This is something that really is beneath contempt with this company. Hardly existing at all, to be honest. Information is communicated when the management is more or less forced to do so. Have the feeling they look at us employees as a cost, rather than a resource, that should be kept on a “need to know” level of information.

The most conspicuous answer we received regarding the communication climate at the firm was given by the WN:

This is something that really is beneath contempt with this company. Hardly existing at all, to be honest. Information is communicated when the management is more or less forced to do so. Have the feeling they look at us employees as a cost, rather than a resource, that should be kept on a “need to know” level of information.

According to the rest of the respondents, the communication climate at the company is open and vertical communication undertaken without difficulties. A positive factor, put forward by the middle manager, is the small size of the unit which helps to create an atmosphere where “everyone knows everyone”, facilitating communication.

Communicating the state of things

➢ Is the company a victim of the conjuncture, i.e. could the redundancy notice have been avoided?
   - Logistic manager: The notice doesn’t follow as a result of the business cycle.
   - Middle manager: It could definitely have been avoided. This division isn’t by any mean doing badly and they aren’t closing us down because of this reason but in order to make more money.
Worker (Survivor): I don’t think this has anything to do with the conjuncture. I believe it’s a decision made by top management that everything is to be centralized.

Worker (Noticed): Unfortunate that the notice came at a time of faltering business conjuncture: It’s more difficult today to be noticed than say for a year ago. The company had the option to await a better time on the job market. This notice could definitely have been avoided since the company has been very profitable even during the tough business climate we are facing at the moment.

They all seem to be of similar opinion regarding whether or not the company is a victim of the conjuncture. The company is not a victim of the conjuncture, asserted all respondents. All of them except the logistic manager, LM, are of the belief that the firm acted with one aim only - to increase a profit that already is high. WN added that the firm could have waited for the job market to get better in order for those that are being let go to get an easier task compared to today to secure a new employment.

When did you receive the official redundancy notice and from whom/what source?

- Logistic manager: I learned from my superior, by early last spring that there was to be an investigation.
- Middle manager: The director, from southern Sweden, visited and informed that among other this unit would be shut down.
- Worker (Survivor): Came to my knowledge sometime in December. From the management.
- Worker (Noticed): Last time they noticed they close the unit where I was working and reassigned us to other duties. More information came at the meeting that followed soon upon the inconvenient situation created by the fact that VK (the local newspaper) were ahead of the company to inform what was about to happen. Responsible for the meeting was the warehouse manager, who is highest in rang following the logistic manager.

All respondents speak of their respective superiors as a source of information when it came to the official redundancy notice. All except the noticed worker who received the official notice from the local newspaper (VK). After that followed meetings put together hasty by the management in order to meet the inconveniently leaked information: “More information came at the meeting that followed soon upon the inconvenient situation created by the fact that Västerbottens Kuriren [a local newspaper] was ahead of the company to inform what was about to happen”, according to WN.

Do you consider that you’ve received sufficient support from the company in regard to your situation?

- Logistic manager: Yes, I think so. I’ve received support with communicating the message and at each occasion someone from another division, higher in the hierarchy, has visited to convey the message so that I don’t have to stand as scapegoat. The company has, in addition, provided psychologists and other resources, if needed.
- Middle manager: Yes, but one would still wish for even more information but I at the same time understand that they cannot disclose more than a certain amount of information.
- Worker (Survivor): At the time being I’m not in a precarious situation.
Worker (Noticed): My personal situation is somewhat particular. I’m on leave for studies - a group of employees that perhaps have been forgotten, to some extent. We too, we who are on leave for studies, have had a meeting with the board to air our opinions and we have expressed that we need to get duly informed what is happening. After all the employment, in many cases, is the main source of income for many of us. Several of us moonlight during week-ends and holidays. My feeling is that we were forgotten in the turmoil.

The workers doesn’t express a perceived shortage of support and the LM is happy with the level of support received from his superiors and so is the MM, even though he wish that he would have received somewhat more information.

- **Has the working climate changed after the notice?**
  - Logistic manager: Yes, I suppose it has. We are a highly effective business unit and we of course observe a declining, but not dramatic, loss in productivity. In different ways.
  - Middle manager: Negative decisions like this one of course affects but we have high moral up here in Norrland. Most of the employees do an excellent job despite this. One can notice that it has affected them but their work effort is great.
  - Worker (Survivor): No, I don’t think it has. It has worked really well and I haven’t seen any frowns nor experienced a negative atmosphere.
  - Worker (Noticed): Yes and no...But yes, a sense of bitterness has emerged. Many feel betrayed having devoted 25-30 years of their life for the company just to become cut off.

All of the respondents’ stress the high work moral on the workplace and emphasize that nobody has frowned at the difficulties. The logistic manager adds that there, despite the high spirit, has been a slight decline in work productivity and suggest that there has indeed been slight changes in the working climate following the announcement.

- **You, as a middle manager, are positioned in between workers and management in the hierarchy - how do you perceive that situation? [This question was directed to the middle manager only]**
  - Middle manager: The situation can be quite tough. I’ve been noticed myself but still need to work and care for the welfare of the workers. Need to make sure they are OK and to register any signals from them and it is therefore a relief to have the support of the company, since I too am noticed. Not only is the personnel organization very good but they have also appointed a group that focuses on this questions alone so one really gets support as a middle manager. Some, those who perceive the situation to be particularly tough, come to me with their problems and this of course affects me as well. It is good to have a company that backs me up.
CHAPTER 6
ANALYSIS

The preceding chapter will be examined in the light of presented theory. In order to facilitate an easy overview the structure will be based on our five concepts. For a conclusion of the below analysis, please see the subsequent chapter.

6.1 Analysis of interviews

View on management

As discussed in the theoretical framework, the manager’s role is to mediate a vision, making the members of an organisation strive towards a common goal and, at the same time, meliorating a company’s effectiveness is what management is all about. There’s a growing amount of research indicating that individuals are less willing to accept change when being cut-off from the decision-making process, and with a shortage of understanding follows decreasing motivation which in turn will result in employees being less likely to represent the organisation in a positive manner. Few are willing to go all-out in a direction that they do not see as a viable option nor understand and communication is, for that reason, the managers’ most important task and successful managers are those who excel in communication, according to Hargie and Tourish (2000, p. 4-5). Below you will find our analysis of the manager’s role and actions during downsizing situation.

According to Rousseau, presented in our theory chapter, there are two types of unwritten contracts. Here we will focus on the psychological contract. As argued by Rousseau, this contract consists of subjective beliefs of mutual obligations between the organization and the individual. Our respondents’ answers on the question of perceived necessity of redundancy notice paints a picture were the organization has broken the psychological contract and overlooked the individual’s belief of the organizations obligations towards him or her. Newell et al. continues Rousseau line of argumentation with the added aspect of the management adopting, in general, radical restructuring programs despite the absence of hard evidence that these will improve the productivity. The surviving worker seems to be of similar belief: “It sucks that they moved the operations to Borlänge. And the quality hasn’t improved either, as far as I’ve heard. Moreover deliveries to Umeå are late.”

Belongingness and Trust

Coleman (1988, pp. 95-120) introduced the term social capital to describe individuals’ willingness to work towards a common goal and assigned two components to social capital - associability and trust. Here we will focus on the component associability.

Associability concerns the willingness and ability to interact and work with others for a common cause and trust is a measure of the perceived competence and honesty of the other party as well the will to affiliate with others, showing vulnerability to individuals that we don't know very well.
When a sense of belongingness is present we are loyal but the bounds of belongingness and trust are fragile and will break easily if loyalty isn’t reciprocal. Below is the analysis of our studied firms actions, regarding upholding and strengthening corporate belongingness amongst the employees, and also, the level of understanding for the firms actions, does it differ with regards to which level in the company hierarchy the interviewee is in?

At our studied firm we can see that the information level of our interviewees decreased in proportion to their titles at the workplace. The logistic manager could trace the impending downsizing all the way back to studies made by consulting firms, year 2003, where the result was that the Umeå division was not on the company’s future logistic map, whereas the workers barely remembers when it first came to his knowledge and the middle manager could remember it being under investigation during the spring of 2009. Cameron et al. in accordance with Heenan et al. states that firms should have an approach to downsizing were information is in focus: “Before, during and after the initiating of a RIF”. In this case it seems like the information about the firm being under investigation might have been held from the people on “the floor”. The noticed worker corroborated this when he stated that “the previous round of notice came to my knowledge through an article in the newspaper, Västerbottens Kuriren”. The importance of what source the notice comes from will be dealt with later on in this analysis.

Interesting when it comes to our interviewees view on the organizations future is the fact that there seems to be matching opinions about the firms’ future in Umeå. All our respondents, except the logistic manager, are of the belief that the Umeå division will be shut down 12 months from the date of the interviews. The logistic manager implied that there will reductions in the workforce by then but by how much, he could not answer. In half that time everyone except the noticed worker believes that they will have the same manning. Our theories suggests that survivors of RIF have a negative viewpoint about their workplace future in general thus they assume that the axe will be swung in a similar manner during the second round, as put forward by Littler, (1997).

The noticed worker and the middle manager put forward interesting thoughts about the attitude change towards the company following RIF. The noticed worker said that his preconceived ideas were enhanced but that they were negative to begin with, whilst the middle manager explained how his motivation decreased as a consequence of the announcement but in the same breath he stated that the support he received from the firm was highly appreciated. When asked the specific question of how he, as a middle manager, perceived the position in between workers and management during the RIF-process he put forward the difficulties he faced when it came to supporting noticed personnel in their worries of the future even though he was in “the same boat” as them.

Burke and Cooper, (2000), and Zemke, (1990), have studied middle managers’ situations during downsizing. The common denominator in their research is the focus on middle managers and the situation they’re put in during a period of RIF. Zemke noted that managers often manage more people in a hostile environment after the implementation of RIF. This was also the case at our studied firm; “those who perceive the situation to be particularly tough come to me with their problems and this of course affects me as well”, explained the middle manager.

Burke and Cooper continue to describe how they found that 60 percent of middle management showed decreasing loyalty and motivation towards the organization following
RIF. Our interviewed middle manager seems to be in that percentage based on his statement about him decreasing motivation: “It is difficult to maintain the same level of motivation but I have a job to do and am trying my best to do it well and to motivate the workers to the best of my ability”.

Maslow (1970) suggested that when a sense of belongingness is present we are loyal but when absent, the bounds of loyalty will break easily. At our studied firm there seems to be a consensus amongst our respondents that the belongingness is there but some of our interviewees’ answers in other questions suggest that the loyalty has declined following the previous RIF at unit XX. The interviewed noticed worker might have put it most clear: “Yes and no. I’ve always worked a lot of hours for this company and in this way feel a sense of belonging but I do not back the ideology of the management”.

Perceived fairness

The perceived fairness of the RIF depends not only on whether or not the action can be justified but also on the way in which it was implemented, according to Brockner (1992, pp. 9-28) who suggested the below list of affecting factors:

- Whether the RIF is justifiable.
- If the cut-down is congruent with the organizational culture
- Whether an adequate amount of advance notice was given prior RIF.
- The attention payed to workers (e.g. empathy) during the layoff process.
- Whether or not relevant and sufficient information for the RIF was communicated.
- If the layoff burden was shared at managerial level. Brockner also in this study noted that it was considered unfair by management to benefit on the others’ cost at times of organizational hardship.
- The utilized decision rule for choosing who is to be let go needs to be consistent.
- How the organization treated victims after the cutback.
- Whether the employees themselves were involved in the RIF-process.

These factors will now be discussed in the light of our gathered data. And the general question being; has our studied firm taken these factors in account or not?

Smelter and Zener stress the importance of a humane approach to the RIF. They discuss some factors among which timing is part, and the significance of thoroughly planning and developing ones messages with regards to these factors. Our empirics show how the firm has had somewhat of a humane approach to the timing with the logistic managers following statement in mind: “We tried to avoid Christmas or the vacation period but there is always going to be someone who considers the timing to be badly chosen”. But also how they disregard the low conjuncture and the seat it would put the noticed personnel in. The human approach is not just important from a humanistic perspective, but also from the survivors’ perspective since the perceived fairness in the RIF-process affects their work performance and ultimately their productivity according to Appelbaum et al. (1999).

Smeltzer and Zener discuss, as mentioned before, factors to consider for the management when performing RIF. The main course in the discussion is how to avoid misunderstandings and rumors but also how to increase the perceived fairness of the RIF (as seen in bullet form in our theory chapter). Our data shows that the managers had a different perception regarding
rumor spreading than our interviewed workers. The noticed worker was of the standpoint that rumors have been spread throughout the company and that these were enabled by the fact that managers and workers socialize in an open atmosphere. Whilst the managers are of the belief that rumors only have been spread when it comes to the first RIF employed by the firm and that these were met and dealt with by the management. Our studied firm’s actions are not in line with Smeltzer and Zeners guidelines for announcement planning since the perception of their actions is divided. One camp that claims that rumors were neither met nor dealt with by management and one that is of the opposite opinion.

Buono and Bowditch, (2003), continue with the same line of argument as Smeltzer and Zener, (1994) and are therefore interesting for our purpose. They claim that: “…despite efforts to maintain confidentiality…words, leaks out anyway, and rumors mills and the grapevine work overtime, leading to more anxiety and, in many instances counterproductive behaviors”. They continue to describe how denying rumors that have some truth in them also risk undermining employees trust in the management.

It is important for a firm to choose the right scapegoat in order for the management to “help employees divert their negative attention from inappropriate targets and thus prevent the possibility of serious damage to the organization”, according to De Vriesand Balazs. Gareth Morgan continues in the same order with his research Images of Organizations, stating that organizations often use narrations and metaphors when presenting an impending RIF. Our studied firm showed tendencies of adopting the use of scapegoats, at least according to the workers and also somewhat the management. According to the noticed worker the local management was quick to put blame on higher level and that they are merely following directions. The logistic manager was grateful towards the company regarding the choice of who would communicate the RIF to the employees since they, the firm, chose to send someone (higher in rank compared to the LM) from the head office. This was done in order for the logistic manager to avoid the “bad guy” label.

Brockner, Wiesenfeld and Martin raise the question of procedural fairness (favorability) and perceived fairness. They do so in the light of following statement:“when procedural fairness is relatively low, outcome favorability is significantly related to individuals”. They continue with suggesting that people, as expected, respond better to more favorable outcomes. As seen in the answers given to us in our previous question, there was a consensus amongst our interviewees about how the turn taking was decided –i.e. the firm followed LAS by the letter. Our respondents (except the noticed worker, who claims to be an individualist and of the belief that personal characteristics should play a role in decisions of this type) consider the course of action to be as fair as possible. The logistic manager added that judging fairness is difficult but that this is how the legislation looks like. Brockner, Wiesenfeld and Martin continue to argue that when procedural fairness is relatively high (as in the case of our studied firm) outcome favorability has much less of an effect on individuals’ reactions towards a certain decision. To sum up the mentioned researchers line of reasoning - people are more likely to respond favorable to fair rather unfair procedures when outcomes are relatively unfavorable. In our case we can see that the personnel perceived the process relatively fair.

Brockner’s research suggests that there are some factors that affect the employees’ perceived fairness of RIFs. Although other researchers mentioned in this study have discussed most of these factors Brockner does so in the light of the survivors’ point of view. Here we want to highlight and focus on the factor of whether or not an adequate amount of advance notice was given prior to the RIF. Brockner, in the same research, argue for the importance of involving
the employees themselves in the RIF-process. At our studied firm we can see that the employees neither were involved in the process nor were they given adequate amount of notice of the impending RIF. The noticed worker said: “I mean, given the fact that we, the workers, anticipated that something was in the wind already 5 years ago. I mean; how didn’t the management know where this was heading?” The logistic manager did not seem to disagree but rather explained the reasons behind this course of action from the management’s point of view. He stated that the main and only reason is that the firm cannot put out information about a situation that is under investigation, and therefore also not yet confirmed.

**Sufficient Communication**

Our chosen theory suggests that underestimation of the need for information is a returning problem in high uncertainty contexts such as RIF. Shaughnessy (1986, pp. 23-25) studied this phenomenon in the American public sector concluding that few experienced that they had received sufficient information about the organisational change. Although communication typically is increased the jump bar will be continuously raised to new highs during RIF and employees might therefore still experience a shortage of information.

Our focus in the analysis of the concept *Sufficient Communication* will be on whether or not the employees of our studied firm feel that they received sufficient communication regarding the impending RIF:s.

As put forward by Shaughnessy the majority of survivors, and at least half of the interviewed middle managers (in his study of the American public sector), experience that they did not receive sufficient information about the impending layoffs. The situation seems to be somewhat similar in our interviewed firm. The workers are sure in their criticism of the companies’ actions; they neither received sufficient information about the benefits of the RIF (such as the economical and environmental benefits) nor did they receive a holistic picture description. The noticed worker makes an effort to describe the reasons for this. He says that the lack of adequate education in these matters, because of the fact that managers are internally recruited, creates a situation where “the blind is leading the blind”.

As declared in our empirics, the noticed worker gave the most conspicuous answer regarding the communication climate at the firm. Noteworthy here is the fact that all three other respondents was in agreement, and were of the belief that the organization culture at the firm as such is of an open nature were vertical communication is very much existing and encouraged. Given that the noticed worker appeared to be the one of the two workers with most insight, regarding layoffs in general, we find it noteworthy that the surviving worker seemed to share the managers’ opinions about the communication climate and not his co-worker’s.

**Communicating the state of things**

Ample communication in due time is essential in a high uncertainty context, such as organisational change. And it is equally important that the message is well considered, delivered and timed. Openness regarding the organisation’s health and performance will increase understanding and acceptance for the action. “Employees who have full knowledge
of the company's finances and its industry' feel personally in control amid the uncertainty”, according to Mishra et al. (1998, p. 88). This is what our theories suggest. But, is this the case for “our” firm? Or are they of different opinion?

Our reason for asking the question, “Is the company a victim of the conjuncture, i.e. could the redundancy notice have been avoided?” was to highlight the interviewee’s knowledge level in regards to the firm’s actual situation. Our respondents agreed in that the firm wasn’t a victim of the conjuncture, that the firm chose this line of action because of other reasons. The middle manager’s thoughts were that the firm acted with to care about their share holders and the shareholders alone: “This division is not by any mean doing badly and they are closing us down in order to make more money”, the middle manager said.

The workers thoughts of the management’s purpose with downsizing are quite clear: “I believe it is a decision made by top management that everything is to be centralized”. These thoughts are in line with general arguments regarding downsizing and are also important to highlight regardless of used theories.

From what source the notice comes from affects how the employees adapt to a RIF-process, according to Marek et al. In the same research Robbins, a consultant within the field of HR-Management, put forward that since employees first and foremost are loyal to their managers and then the firm, it is of great importance that they hear any plans of RIF from their managers first. At our studied firm we found that the noticed worker first heard the official redundancy notice from the local newspaper (VK) and that the managers took a stand after that. This is directly contradicting to existing research in the field. The research (made by, amongst others, Marek et. al.) firmly suggests that people receiving and redundancy notice do not want to hear it from a third party.

When it comes to the issue of support, we need to make a separation between support for managers and support for employees. Gillette, (2001), raises the question of support for managers and the keynote in his line of argumentation is that executives should not assume “that managers or supervisors will know what to say and how to handle sensitive conversations”. That being said, let’s have a look at how our interviewed managers perceived the question of support. Both the logistic manager and the middle manager are of the opinion that they received sufficient support from the managers higher up in the company hierarchy, the logistic manager especially: “Yes, I think so. I’ve received support with communicating the message and at each occasion someone from another division, higher in the hierarchy, has visited to convey the message so that I don’t have to stand as scapegoat”. The middle manager is also content with the support he received but wished for further information even though he “understand that they cannot disclose more than a certain amount of information”.

Feldman, (1994), gives recommendations for organizational downsizing. The main aspect of these recommendations is supporting victims and concern for survivors through clear and advance information. De Meuse et al. coined the abbreviation PROACTIVE for successful downsizing, which advice among other ample communication, an advancement characterized by utmost respect for noticed personnel and an increased support to survivors. The noticed worker’s statement: “Several of us moonlight during week-ends and holidays. My feeling is that we were forgotten in the turmoil” indicate that the management failed to be sufficiently proactive in their progression. In fact, the only respondent suggesting the contrary was the surviving worker, who didn’t believe that he was in a precarious situation at all, and therefore in no need of increased support.
As to the analysis of the possible change in working climate change following the notice we felt that an emphasis on quotes would serve well to provide a picture of the situation. The logistic manager was of the opinion that the working climate had changed: “We are a highly effective business unit and we of course observe a declining, but not dramatic, loss in productivity. In different ways”. Also the middle manager said that the action had negative effect: “Negative decisions like this one of course affects but we have high moral up here, in Norrland. Most of the employees do an excellent job despite this. One can notice that it has affected them but their work effort is great.” The surviving worker was more skeptical that the working climate had been affected; “no, I don’t think it has. It has worked really well and I haven’t seen any frowns nor experienced a negative atmosphere”, whereas the noticed worker was expressed that it had changed for the worse: “Yes and no… but yes, a sense of bitterness has emerged. Many feel betrayed having devoted 25-30 years of their life for the company just to become cut off.” In line with Burke and Coopers research they all, with the surviving worker constituting the exception, air a more negative attitude towards the organization, which.

6.2 Summary of the analysis

We can see that the managers’ and the workers’ opinions were incongruent in some aspects - the situation being perceived differently. First of all the planned notice came to their knowledge at different point in time and also the answer as to the company’s future actions varied among the employees. When it comes to belongingness and trust our interviewees seemed to agree that they do feel the sense of belongingness to the firm but that it was declining. As to the perceived fairness, as we interpret it, the general opinion was that the RIF in itself wasn’t necessary but that given that this was being undertaken the actual turn taking was as fair as it gets. The noticed worker was of a different opinion though; his main concern was the fact that he received his notice from a third party (the local newspaper). Continuing to the issue of sufficient communication, the opinion here was (if you disregard the logistic manager) one always desires more information than the presented and that this was not handled in a satisfying manner from the management. And lastly, communicating the state of things. Our interviewees’ opinions are in line with each other’s; the firm lacks much when it comes to communicating the state of things and distributing information and support for employees.
Below you will find a summary of the preceding analysis, a conclusion of our research findings, which is followed by a discussion of the quality of this study as a whole. To resume where we started the purpose for this research was to explore how organisational downsize has been communicated, how the situation is perceived and how the change has affected subjective work motivation among employees and managers. The presentations of our conclusions are divided per research questions, as in the chapter of introduction.

7.1 Conclusion

➢ Whether there is consensus among employees and managers regarding what has been communicated and how the situation, which the company is in, is perceived.

There were different opinions as to what had been communicated regarding the impending RIF. The managers meant they had communicated complete information but also put forward that, given the nature of these questions there is a limit to what they can share with their employees. The workers, on the other hand, wished for more information and didn’t consider the information received to be complete, which confirms earlier research by e.g. Shaughnessy (1986, pp. 23-25) that suggested a perceived shortage of information.

➢ Employees and managers express that they have sufficient (i.e. more than what is required from a legal point of view) information about the situation?

The answers received differed with a distinction between the managers’ and the workers opinions. The managers believe that they received sufficient information whereas the workers desired more information. The managers’ meant that more information is desirable but that this is difficult given the nature of these questions, which hinders complete information sharing between managers and workers – a returning phenomena, according to described research by Greenhalgh (1983, p. 442).

➢ The attitude towards the company has changed due to the withdrawals and, if so, the reason for this change and what could have been done better or what was done well.

There was no sign of a general change in the attitude towards the company, as a result of the RIF other than for the middle managers who aired a slight decline in motivation. Burke and Cooper’s, (2000), research confirms the middle managements precarious situation in the event of downsizing and the decline in motivation it can lead to.

➢ The degree of openness in regard to communication, among managers and employees, is perceived congruently – e.g. whether employees can discuss issues directly with management.

The respondents agreed that the organization has an open communication climate and that workers easily could discuss with managers. The noticed worker, however, implied that even though vertical communication was possible information sharing wasn’t always working properly, as he said: “Have the feeling they look at us employees as a cost, rather than a resource, that should be kept on a ‘need to know’ level of information”.

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CHAPTER 8
TRUTH CRITERIA

This section discusses the trustworthiness of this study based on commonly employed standards for this type of research. Awareness of the norms for good research is important to ensure the quality of research.

When discussing which measures of trustworthiness one should employ in one's research, one must consider the diversity of types of research out there and use the most suitable measures of trustworthiness for the research in hand. In our case, we have chosen credibility, transferability, and dependability, because of the fact that we have conducted a qualitative study with an abductive approach to our research. The terms credibility and transferability are also used in quantitative studies, even though in a different manner. There it is sought to ensure that right measures were used and that these then measure what they are supposed to, mostly in the data collection part of a study. Whilst in the case of a qualitative study, credibility, transferability, and dependability aims to ensure the same but throughout both the data gathering and analysis. A more systematic and holistic view if you may.

The description of following measures derives from Bryman and Bell (2003) and their book “Business Research Methods”.

8.1 Credibility

The measure of credibility aims to catch the researchers’ ability to communicate the researches process validity. This is done through understanding and explaining ones preconceptions, data gathering, sample and a description of the analytical process. Participants in this research have had the option to add complementary comments in retrospect through reading a written draft of the interviews sent to them by us. Last but not least we have used source triangulation when choosing respondent, meaning that we wanted our interviewees to be of different backgrounds and different positions within the organization in order to get different perspectives of the same situation. In our research we believe that these requirements are met as they are stated in our methodology chapter.

8.2 Transferability

The transferability concept aims to grasp if the research can be generalized to fit other organizations other than the researched one. More so, in quantitative studies then qualitative, as the case of this research. In qualitative studies the concept is more aimed towards presenting “the road” to the end and the results found there. The potential generalization is then left to the reader. We believe that our “road” to our conclusions has been presented thoroughly through the presentation of methodology, and we thereafter leave any generalization to our readers.

8.3 Dependability

In qualitative research both humans and technical equipment are used as instruments. The human instruments consist of both the researcher and his or her supervisor and technical equipment mainly consist of the recorder used to record the interviews. The quality of the
recorder can affect the quality of the interviews since a bad recording can lead to misinterpretation of respondents’ answers. We used the recorders provided by the school, and they are of high quality so there was not a question of mishearing from our part. What the interviewees actually said is what we have on recording, and also what we have transcribed. And in the case of human equipment; we cannot objectively scrutinize our role as interviewers so we leave that to the readers.

Another important aspect of this research’s dependability the guidance of our supervisor, who’s expertise resides in the field of management and research methodology, and his kind advice which has been the guiding star whenever we had questions as to how to proceed.
The below section discuss our opinions own opinions about our research findings and other details that we believe are of interest.

9.1 Discussion and further research

Time, alas, is always limited and we therefore constantly have to choose way, and to narrow down on one phenomenon at a time. Our hope is that our research has sparked your interest to a degree where you would like to grab the baton to continue research. It was first after much discussion that we managed to narrow down to what this paper is today. Some of the thoughts that were left untouched and a few suggestions to continued research are:

- A comparative study between firms that downsize with different levels approach to communication

- Analysis of the whole communication chain, from the CEO to the workers on the floor, and a comparison of the level of information that was been sent and received.

- To research survivors work performance and attitude following RIF.

9.2 Research contribution

Organizational change is never going to be easy when individuals get pinched in the process and as ever so often the deeper one enters into a subject the more complex it becomes. We have learnt a great deal during our journey and it is our hope and belief that this study will help the company in focus to fare even better in the future when pursuing the bumpy road of organisational change. As to our contribution to the theoretical field we hope that this study can constitute one brick in the immense intricate puzzle for which we are just starting to see the contours.
List of references

Printed sources

Gillette, B. (2001) Is there a good way to break bad news?: Corporate Meeting & Incentives, 1st July.
Hong Kong Imail (2002) How to break the bad news and still care, World Resources, Inc., 18th February.


**Electronic sources**


Appendix 1 – Interview guide

- How long have you been working for this company?
- What is your job description?
- Were you affected by the latest redundancy notice?
- Was the redundancy notice necessary?
- Is the company a victim of the conjuncture, i.e. could the redundancy notice have been avoided?
- When did it come to your knowledge that the company was going to notice?
- When did you receive the official redundancy notice and from whom/what source?
- What is your opinion about the timing of the notice?
- Did rumors precede the official redundancy notice?
- Do you consider the information accompanying the redundancy notice to be sufficient?
- How was the redundancy notice framed and legitimized?
- How was the turn taking framed and legitimized?
- Do you consider the order of priority to be fair?
- Do you believe that someone higher in the company hierarchy was holding in information about the forthcoming redundancy notice before it was communicated or do you think that the information was communicated as soon as the discussions with the union were brought to a close?
- What is the situation for the company in 6 months time from today regarding the number of employees/layoffs?
- How’s the communication climate at the company; to what degree is vertical communication possible?
- Has your attitude towards the organization/company changed as a result of the notice?
- Do you consider that you’ve received sufficient support from the company in regard to your situation?
- Do you believe that this is the last redundancy notice within foreseeable future?
- Has the working climate changed after the notice?
- Do you feel belongingness to the organization?
- You, as a middle manager, are positioned in between workers and management in the hierarchy - how do you perceive that situation? [This question was directed to the middle manager only]