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Critical Analysis of the Effect of Organisational downsizing on Surviving Employees in the Norwegian Energy and Marine Industry

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DECLARATION

I, Anne-Margrethe Leirvik, declare that this work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree

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STATEMENT 1

This dissertation is being submitted in partial fulfilment of the requirements for the degree of BA Human Resource Management.

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STATEMENT 2

This dissertation is the result of my own independent work/investigation, except where otherwise stated.

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Acknowledgements

I would firstly like to express my appreciation to my family, especially my mum and dad, for all of their support and encouragement with this dissertation. Without them pushing me to always do my best I would not be where I am today.

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UNIVERSITY OF WALES TRINITY SAINT DAVID

Critical Analysis of the Effect of Organisational downsizing on Surviving Employees in the Norwegian Energy and Marine Industry

Anne-Margrethe Leirvik

09/05/2016

The aim of this dissertation research is to critically analyse the effect of Organisational Downsizing on Surviving Employees in a company manufacturing products and services in the Norwegian Energy and Marine industry, with a literature review of the appropriate literature around downsizing and effect on surviving employees, providing a conceptual model of best practice.

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Abstract

This dissertation was undertaken as part of an undergraduate Bachelor degree, and investigated how employees in a company in the Norwegian Energy and Marine industry perceive downsizing, a field which has previously seen little academic research.

In today's constantly changing business environment the concept of downsizing has become increasingly more topical and the drop in the oil price since June 2015 has led to a dramatic decrease in the investment and demand for goods and services from companies operating in the industry. Wärtsilä Corporation, a Finnish based company with individual branches in Norway, supplies innovative and sustainable technologies serving the marine and oil & gas markets and was hit hard by the decrease in contracting activity. In the summer 2015 the company announced that 600 positions internationally would be cut, with 190 of those positions being in the three branches in Sunnhordland.

Through an extensive literature review the researcher was able to get an understanding of related topics in the subject area such as downsizing and survival syndrome, and based on this knowledge a qualitative research approach was used to conduct in-depth interviews with the employees at Wärtsilä. The findings from these interviews were then analysed using a grounded theory analysis and the best practice examples were highlighted and presented in a grounded theory theoretical framework.

The grounded theory is presented as a conceptual model which advises management facing downsizing on how survivor syndrome in downsizing survivors can be mitigated through management and HR aiming to provide *consistent and frequent communication, execute perceived fair processes and aid the employees trust through PSS.*

1.0. Chapter 1 - Introduction

1.1. Aims and Objectives

The aim of the study is to critically analyse the effect of Organisational Downsizing on Surviving Employee in Wärtsilä, a company in the Norwegian Energy and Marine Industry.

1. *Critically analyse academic literature on the effect of organisational downsizing on surviving employees*
2. *Identify the employee perception of downsizing in a Norwegian company in the Energy and Marine Industry.*
3. *Evaluate the findings and highlight best practice of downsizing processes within organisations in the Norwegian Energy and Marine Industry and make recommendations for managers to best deal with surviving employee in the aftermath of downsizing*

1.2. Background

The aim of this dissertation is to analyse the effect of organisational downsizing on surviving employees in a company in the Norwegian Energy and Marine Industry and make recommendations for best practice.

There has previously been studies on surviving employees in times of downsizing due to economical restraints (Erickson & Roloff, 2007), however there has been a strong focus on the American manufacturing sector and little to none looking at the Norwegian Marine and Energy Industry. This angle is particularly interesting in the current business environment in the Oil and Gas sector, where the oil prices plunged from the summer 2014 peak at $118 to $28 a barrel in January 2016 (Bawden, 2016), illustrated in figure 1, facing the worst decrease in investment in 15 years and already more than 25,000 job losses reported since last year (The Business Times (Singapore), 2015).

With the current economic challenges faced by organisations in different sectors, lay-offs are a natural action, often with the rationale of reducing costs (e.g. wages and benefits) through less staff to improve firm profitability (Ramlall, et al., 2014). Norway is particularly interesting due to the constant medium-high levels of trade union density, with a strong present in both the public and private sector (Nergaard & Stokke, 2007). In times of downsizing the trade union plays an important part for the entire organisation, firstly through co-operation with management and then through their support offered as employees are allowed to bring

union representation in meetings and conferences regarding termination of employment (Hellgren & Sverke, 2001). This research will look at the literature regarding the employee's perception of importance of trade union and see if this is evident in the primary research.

1.2.1. Oil Price Drop

The drop in the oil price has been explained as a result of several factors such as:

- *Increased Output from the US*. Over the period from 2012-2015 the US went from having a daily oil output at 10 million barrels to 14 million; becoming the biggest producer in the world and succeeding both Russia and Saudi Arabia. The country also decided in late-2015 to lift a 40-year embargo on export of its domestic-produced oil. The extra 4 million barrels resulted in a supply gut in the market.
- The Organisation of Petroleum Exporting Countries (OPEC) is dominated by Gulf producers, notably Saudi Arabia. In a meeting in September 2015 they scrapped its previous official production ceiling in order to gain market share. With large reserves of oil and little storage left the member countries are now increasing their output, again adding to an excess in supply (Krauss, 2016).
- The lift of the nuclear sanctions on Iran means the country can now start exporting the large supplies they have gained over the last few years.
- Collectively oil firms have suspended $380 billion of investment in new projects as a result of the low price. High-cost countries are seeing the biggest falls in investment, with Norway being one country now having to adapt to the new lower oil price.

To find a plunge in oil price similar to the one we are facing today one has to look back to the 1980's, when oil fell from a three year stable $30 a barrel in November 1985 to $10 in July 1986 (Morgan Stanley, 2015). Back then the result was cost-cuts and delayed projects, much the same that is happening now,

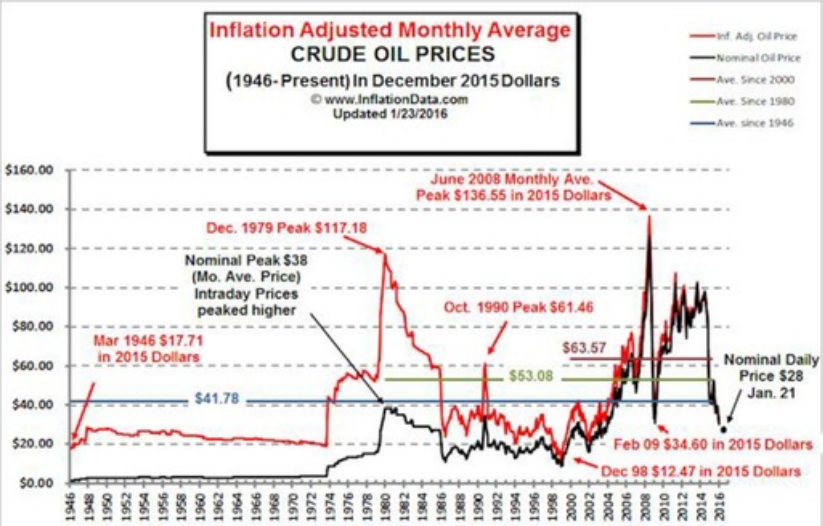


Figure 1 Crude Oil Prices (1946-2015)

however whether the oil price has hit final bottom is yet unsure. As of February 2016 four big banks, Standard Chartered, Goldman Sachs, RBS and Morgan Stanley, had all downgraded their oil outlook to $10, with little predictions of a change any time soon (Khan, 2016).

1.2.2. Wärtsilä

To be able to get the most accurate knowledge on the subject of the effect of downsizing on employees and the effect on organisational commitment the researcher will co-operate with Wärtsilä Norway, one of the many international branches of Wärtsilä Corporation, a Finnish business in the Marine and Oil & Gas industry. Interviews will be conducted at their offices in Sunnhordland, Norway which manufactures and designs propellers, propulsion systems and ship design (MarketLine, 2015).

Wärtsilä Corporation was founded in Finland in 1803 and through several acquisitions it has become recognised as a proven supplier of innovative and sustainable technologies across its portfolio serving the marine and oil & gas markets, operating in the power business that is subdivided into two market areas; ship power and power plants. They currently have subsidiaries such as Wärtsilä Technology, Wärtsilä Sweden, Wärtsilä Norway, Wärtsilä Denmark, Wärtsilä Italia, Wärtsilä Switzerland, Wärtsilä Netherlands, Wärtsilä Iberica and Wärtsilä Deutschland. The company operates in Europe, the US and Asia. It is headquartered in Helsinki, Finland and employs around 19,237 people worldwide (MarketLine, 2015).

The history of Wärtsilä Norway

1903	Wichmann Motor Factory was founded in Rubbestadneset, Norway
1928	First hydraulic-operated controllable pitch propeller supplied
1938	The first diesel engine is produced
1976	Factory expansion to 520 employees at Rubbestadneset
1986	Wärtsilä Corporation buys Wichmann Motor Factory, the corporation's first Norwegian company
2002	Wärtsilä Propulsion is established
2006	Acquisition of Aker Kvaerner Power and Automation System at Stord by Wärtsilä
2008	Wärtsilä acquires global ship design group Vik-Sandvik AS at Fitjar
2008	Wärtsilä has more than 1,000 employees in Norway
2012	Wärtsilä move production and assembly of gears and propellers from Norway to Italy and China

(Wärtsilä, 2016)

The company has been facing difficult financial times as a result of the decrease in the oil price which has led to contracting activity being under pressure. (Business Monitor International Research, 2015). The low oil price has reduced the exploration and development activities, which has affected Wärtsilä through a sharp decline in the demand for offshore vessels, combined with a shipping industry suffering from overcapacity and low freight rates (Wärtsilä Corporation, 2016). These factors led to the message in the summer 2015 that the company would be taking measures to realign the Marine Solutions organisation, in order to maintain their competitive position in the global market. The reduction of 600 positions internationally (Wärtsilä Corporation, 2015) hit Wärtsilä Norway hard with approximately 190 positions at the three offices in Sunnhordland. The company announced that the downsizing would be executed using relocation, early retirement and attrition (Hope, 2015). As a response to the announcements the unions at the work places were informed, with two different unions, NITO and Tekna, having members involved.

In order to get primary data the researcher will conduct semi-structured interviews with shop floor level employees at Wärtsilä locations at Fitjar, Heiane and Rubbestadneset. The study will aim to take the perspective of the shop floor employees and their perception of the senior management's way of communicating and executing the downsizing. In order to keep the research project at an appropriate size the study will not include those who have been made redundant but focus on those who are still employed.

Chapter 2 will look at previous literature on downsizing and the effect this has traditionally had on surviving employees and how this will support the results and study done with Wärtsilä.

2.0. Chapter 2 - Literature Review

2.1. Introduction

This chapter address the first research objective:

1. *Critically analyse academic literature on the effect of organisational downsizing on surviving employees*

It will look at previous studies in regard to organisational downsizing, aiming to define it and investigate the concept of survival syndrome and previous research that has been written about it. The chapter will conclude with a discussion in relation to the importance of organisational communication and trade union in times of downsizing.

When collecting and reviewing all of this previously published literature the researcher will be using resources available through the library; online resources such as peer reviewed academic journals, trade publications, reputable newspapers and previous dissertations.

2.1.1. Sensitised topics

As this research will use grounded theory to analyse the qualitative data collected from in-depth interviews, it has been acknowledge by academics that researchers use sensitising concepts as a starting point for qualitative studies and a way of interpret findings (Glaser, 1987). This means that the topics introduced in the literature review acts as a way of deepen the researcher's understanding and provide the foundation for building analysis from the research data (Bowen, 2006). The concepts can be used as a starting point without the expectations of it being present in the collected data (Charmaz, 2003).

2.1.2. Limitations of previous studies

Previous research on downsizing and surviving employees have been heavily represented around 10-20 years ago by Bravenec (2006) and Paulsen, et al., (2005) among others, which is a limitation as today's labour market has changed drastically. This has been much due to technological advancements and globalisation of both the workforce and technology, resulting in previous findings having the potential of not being relevant or applicable today.

The literature has also had a tendency to focus on the American industries such as technology companies and public sector such as hospitals (e.g. (Amundson, et al., 2004)

(Bravenec, 2006) (Paulsen, et al., 2005)). This study will look at the Marine and Energy industry, which has previously not been research heavily.

The study's focus on the *Norwegian* Marine and Energy industry must also be accounted for, as the specific Norwegian employment environment which is likely to be different to those previous studies have looked at in other nations

2.2. Downsizing

With the recent trends of increased downsizing as part of a shift in the social and organisational structures of businesses (McKinley, et al., 1995) a lot of literature has been written about the different effects on employees within a variety of sectors such as manufacturing, retail, health sector and public financial institutions (e.g. (West, 2000), (Bravenec, 2006) (Ramlall, et al., 2014). In these studies the research methodology used has mainly been on sites with a chosen organisation who were going through different stages of downsizing and conducting structured and unstructured interviews and surveys distributed either in person or online, such as Amundson, et al. (2004).

While there is much talk about *downsizing* not a lot of authors have defined it, however one definition which is still much used today and will be used in this research is the one by Cameron (1993) which has also been adapted in several studies by authors after him such as Freeman and Mishra.

This definition states that organisational downsizing can be seen as;

> *A set of activities by the management of an organisation in order to improve certain aspects such as efficiency, productivity and/or competitiveness. The strategy to downsize will decrease the size of the firm's workforce and its work processes* (Cameron, et al., 1993, p. 24)

In his study Cameron (1993) identified key attributes of organisational downsizing;

1. An **intentional** strategic response in order to improve organisational effectiveness, often through mergers or restructuring in order to meet its mission (Kozlowski, et al., 1993)
2. A **reduction** in personnel, often through i.e. outplacements, retirement incentives, layoffs or attrition.
3. Improve **efficiency** through contain and lower costs.
4. Changes in **work processes**, through either restructuring or redesign (West, 2000)

Studies have found that the private sector often argues for downsizing in order to reduce cost (e.g. (Gandolfi & Hansson, 2011)), remain globally competitive (e.g. (Levitt, et al., 2008)) and improve efficiency (e.g. (Zyglidopoulos, 2003)) (Gandolfi & Hansson, 2015).

Research has found that downsizing can negatively affect job satisfaction and commitment to the organisation by the employees (Ugboro, 2006). It can lead to a barrier of communication within the organisation, and lead to employees feeling greater job insecurity and increased levels of stress due to larger workloads and feelings of guilt and sympathy for the lay-off victims. All of these factors can lead to both physical and mental illnesses, and is something management must be aware of (Kim, 2003).

In previous studies there has been a main focus on how the work performance has been affected after the downsizing, and whether it really improves performance levels and financial success (e.g. (Chinzer & Currie, 2014) (Nixon, 1995) (Lewin & Johnston, 2000)). These studies have however aimed more at measuring levels of performance with references to the effects and behaviours shown by the employees and does not highlight *why* there was a potential decrease in performance.
The main themes that previous studies around downsizing have found are around the importance of clear communication from managers, as well as the perception of fairness in the management process of deciding who were being laid off (Sahdev, 2003).

2.2.1. Norwegian Working Environment Act in regard to Downsizing

In relation to the chosen research question it is important to note that the Norwegian Working Environment Act (2012) has and the collective agreements provide the legal framework for businesses who are going to reduce their workforce. The collective agreement refers to the agreement between the trade unions and the organisation in relation to regulations of working conditions, pay and other work related matters (Törnroos, 2015). According to the WEA Section 15-7 an employee cannot be dismissed unless it is 'objectively justified'. A business experiencing loss in sales and contracts or other causes of business decline will need to cut costs in order to survive, and with the current market situation affecting the Energy and Marine industry businesses are facing downsizings which are without doubt justifiable.

When deciding which employees will be dismissed the company is required to create a *selection* pool and a list of *selection criteria*. The selection pool consists of a group of employees that should be compared, using the criteria stated in the selection criteria list,

which can be used to compare one or two employees with the same skill set or job position (Törnroos, 2015).

According to section 15-l in the WES, '*Consultations prior to decisions regarding dismissal with notice*' the employer shall prior to making a decision to downsize consult with the individual employees. This consultation is often referred to as a '*15-1'* meeting, where the individual meets with the employer, often represented by a manger and/or an HR representative. The employee has the right to bring an advisor, either the union representative, a colleague or a lawyer. At this point the employee is given the opportunity to present themselves, in regard to previous experience, knowledge and value to the company. The employees are entitled to be told how they were considered in relation to the criteria and how they are considered compared to a colleague (Törnroos, 2015).

2.2.2. The Effect on Survivors of Downsizing- Survival Syndrome

Downsizing theory often refers to the ones who are laid off as the 'victims' and the ones who are still employed as the' survivors', all though the term could be reversed when looking at the effects internally in the company, due to the emotional strain put on those who have not lost their jobs (Appelbaum & Donia, 2001). It has been found that few employees take actions in order to prepare employees for the new changes after announcing downsizing and offer little support in order to deal with the reactions of surviving employees after a downsizing (Armstrong-Strassen, 1994). This is often a factor which can further increase the display of 'survival syndrome' in the surviving employees. The term 'survival syndrome' was introduced to management by Brockner (1992), referring to people who kept their jobs in an environment where many around them had been laid off.

Studies of surviving employees after a downsizing often show the same set of emotions; anxiety, anger, resentment and cynicism (Amundson, et al., 2004).
Other direct effects of downsizing on survivors are seen through a set of behaviours; job uncertainty, stress from increased workload, perception of unfairness, feelings of not being kept well informed, loss of motivation and loss of confidence in upper management (Robbins, 1999). The combination of these emotions and behaviours have been defined as 'survival syndrome' (Kusum, 2004).

The effect of 'survival syndrome' has been considered to be the main factors contributing to the failure of achieving corporate objectives after downsizing (Appelbaum & Donia, 2001). The company's knowledge and focus on the survivors' well-being will aid the company

through management and HR decisions to be able to retrieve the optimal level of performance and increase efficiency throughout the restructuring, and be crucial for the company's survival (Chipunza & Berry, 2010). One of the best ways of minimising survival syndrome in organisations going through downsizing is sufficient and efficient communication from the management, addressing concerns in order to decrease uncertainty (Donia, 2000).

2.3. Organisational Communication of Downsizing

Several studies have concluded as a recommendation to managers that the organisation must focus on effective communication in times of downsizing. (e.g. (Omoruyi, et al., 2011) (Schiro & Baker, 2009) (Saunders & Thornhill, 2003)) in order for surviving employees to produce perceptions of fairness and make it easier to accept the decisions and cope with the reality of the new organisational settings (Chipunza & Berry, 2010). Trust in management has also been found to be strongly and positively related to the quality of communication about the downsizing, especially when given the rationale for the downsizing, fact about numbers and positions potentially being affected and the post-layoff vision of the company (Paterson & Cary, 2002).

2.3.1. Communication towards Trust and an Empowered Workforce

The communication by the organisation can be an invaluable tool in order to create organisational trust from the employees both during the time of downsizing and after the downsizing is over. A feeling of justice will be related to the perception of fair decisions and timely communications of the decisions, and can make employees feel more accepting of the final decisions (i.e. termination of employees) (Donia, 2000). If the employees trust how the decisions were made it is more likely to lead to trust in their employer in the time after it has been implemented, even if the decision has overall negative impacts. In order to achieve this it is important that managers aim to be prepared and available for potential questions from employees, and make sure they give appropriate information as it becomes available. This way they avoid misinformation and distrust from information spread by informal communication processes such as rumours, which can ultimately lead to distrust of the organisation and increase the feeling of job uncertainty.

Effective communication by the organisation will empower the employees and reduces the time and energy they spend on 'guess work'. (Noer, 1993). Achieving the trust of the remaining employees through effective communication prior and during the downsizing will

lead to acceptance and understanding and will ultimately be related to their level of trust in the organisation. This emphasises the importance of how improving communication can lead to successful organisational downsizing and help to retain employee engagement. Other ways of achieving employee turs is through Perceived Organisational Support (POS) and Perceived Supervisor Support (PSS), discussed in point 2.4.2. and 2.4.3.

2.4. Employee Engagement during downsizing

Businesses are becoming increasingly aware of the importance of employee engagement in times before and after downsizing and its link to positive organisational outcomes such as higher productivity and low staff turnover (Robertson & Cooper, 2010), as well as positively affecting employees psychological wellbeing, and it has proven necessary to have appropriate ways to measure it within the organisation (CIPD, 2009).

Employee engagement as a concept has been explained and defined differently by many theorists, Robinson et al (2004, p.9) defined it as

> *'A positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organisation'*

This definition shows the focus on involvement and the employees' focus on the best for the organisation, however in their report for the last government Macleod and Clarke (2011) defined it as also enhancing the individual's sense of well-being through the motivation to contribute to organisational success. This shows how when looking at employee engagement it involves both attitudes (levels of commitment and job satisfaction) and behaviour (the effort that is being put in) (Dromey, 2014), and therefor includes an importance of the psychological wellbeing of the employees. One term often used in regards to engagement during downsizing is 'the psychological contract' and it has been referred to as a way of explaining the employee's expectations of the workplace.

2.4.1. Psychological Contract

As opposed to the actually contract of employment which is the written expectations of the employer-employee relationship, the psychological contract is a set of unwritten expectations and needs (Kelley-Patterson & George, 2001) from the employer (e.g. motivation and sense of dignity and worth at the workplace) and the employer (e.g. employee understanding of the authority system within the organisation) (Schein, 1998). Both internal and external factors can affect the perception of the psychological contract and it becomes problematic if these

expectations are not mutual, especially in times of changes such as downsizing and restructuring. Redundancy can have a huge detrimental effect on psychological contracts (Caulkin, 1995). One example of the kind of views that can cause issues is the shift from the employer view that people are long term assets to develop and nurture in a secure environment, to be being a replaceable short term cost that can be reduced (Erickson & Roloff, 2007).

2.4.1.1. Psychological Contract during downsizing

To understand the importance of the psychological contract in times of downsizing one must refer to Rousseau (1989)'s theory that the psychological contract is based on expectations of

1. *Hard work will lead to high pay and possibilities of career advancements*
2. *Relative job security through loyalty and seniority*

Employees who have been with the organisation over a period of time are likely to have seen certain procedures and practices being traditionally done, such as e.g. a certain gift at when employees retire or a bonus after a certain length of employment. These practices will strengthen the employees' perception of their psychological contract with the organisation, and means that the implementation of organisational restructure through downsizing will seem like a violation of the psychological contract from the employees' perspective through new employee arrangements not chosen by the employees (Rousseau, 1995). It was also proposed by Rousseau (1989) that the direct effect of this violation will lead to decreased job satisfaction and motivation, as well as the potential for voluntary attrition among the survivors.

After a perceived breach in the psychological contract employees often expect the employer to be grateful for the fact that they have decided to stay with the company after the violations to their expectations and all though the wished new incentives such as a raise in annual pay or bonuses, this is in most cases not an option especially for companies downsizing as a result of financial pressure (Erickson & Roloff, 2007). In order to be able to repair the damage to the psychological contracts companies must look towards other practices, one such being support offered either by the organisation itself through perceived organisational support (POS) or through the supervisors and perceived supervisor support (PSS).

For organisations it is of interest how POS can be a way of influencing positive levels of organisational commitment, decrease turnover intentions and preserve the morale of the

surviving employees, as found in several previous studies (e.g. (Eisenberg, et al., 1986) (Brockner, et al., 1987) (Dawley, et al., 2010) (Newman, et al., 2012))

2.4.1.2. Perceived Organisational Support

The perspective of POS is based on the assumption that employees have a need to feel that the organisation respects and supports them in order to encourage organisational commitment, hard work and job satisfaction. It can be a tool in order to understand and improve morale of layoff survivors. The main findings by Eisenberg et al (2001) established that;

- There is a positive link between POS and the employees' sense of obligation to care about the success and welfare of their organisation.
- Felt obligation arbitrates the relationship between POS and employee engagement through commitment and performance.

POS has been found to decrease turnover intention and improve organisation commitment (e.g. (O'Driscoll & Randall, 1999) (Wayne, et al., 1997)). One example of organisational support is open communication, with opportunities for employees to voice their opinion through feedback mechanisms which the organisation supports and utilise (Feldman, 1989). Appointing a specific senior member of staff, preferably a manager who is well-respected and trusted as a constant font for communication will reduce the potential detrimental effects of rumours originating from the 'grapevine' and improve employee trust (Vinten & Lane, 2002).

Companies can offer remaining employees counselling either internally or using consultants (Vinten & Lane, 2002), or show organisational support through giving employees adequate time to say goodbye to those who have been laid off. By showing this type of sensitivity and consideration of employee relationships the employer is perceived as reassuring by the survivors. The opposite behaviour can lead to resentment and anger and worsen the survivors' view of the management (Amundson, et al., 2004).

2.4.1.3. Perceived Supervisor Support

PSS has been found to be linked to POS and it is important to focus on how supervisors are perceived during downsizing processes. When seen as withholding information and failing to provide direction support and information needed by employees managers are perceived as

untrustworthy, and are failing to meet employee expectations of competence and reliability (Amundson, et al., 2004).

Access to supervisors who are perceived as concerned about employee wellbeing and honest will address uncertainty and enhance employee trust. A focus on improving supervisor support is an inexpensive measure from the company in order to increase employee trust and reduce turnover intentions, one such simple initiative can be encouraging one to one meetings with employees and thereby providing direct support (Newman, et al., 2012).

2.4.2. Job Uncertainty

Uncertainty is linked to a perceived inability to predict the consequences of decisions and arises in situation involving lack of sufficient information. Individual job uncertainty during organisational change refers to the uncertainty around aspects of the immediate work situation such as changes to job role, job tasks and workload. This is a stressful situation for the employees as it is difficult to predict how to deal with the unknown changes (Paulsen, et al., 2005). It also involves uncertainty as the work environment in regard to the future team structures at the office and whether they will be prepared for potential new job tasks. Previous research has found that job uncertainty can be linked to higher levels of stress, reduced job satisfaction and commitment and increased turnover intentions (e.g. (Matteson & Ivancevich, 1990) (Pollard, 2001) (Terry & Jimmieson, 2003)).

2.5. The effect of downsizing on Organisational Commitment

Organisational Commitment was defined by Porter (1974, p.604), as

> *"a strong belief in and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership"*

The effect downsizing has on employees' organisational commitment, the psychological state which indicates the employee's relationship with the organisation becomes important as it as will affect turnover intentions as well as the employees' perception of the organisation. (Ugboro, 2006)

2.6. Trade Unions and Trade Union representation during downsizing

Trade unions have been defined as;

> *'Collective organisation of employees that may be defined in relation to its functions to protect its members' interest and to participate in job regulation with employers. Defined in UK law as an organisation whether temporary or permanent, that consists wholly or mainly of workers and whose main purpose is the regulation of relations between these workers and employers or employers' associations'* (Lewis, et al., 2003, p. 421).

One theorist who has contributed largely to the academic research on the importance of trade unions is Allan Flanders (Ackers, 2005), who stated that the primary responsibility of a trade union was to protect the welfare of its members, aiming at raising wages, shorten hours and make the overall working conditions safer, healthier and better (Flanders, 1975). A part of their role in improving the working conditions is making sure that employees are supported in situations where the employers are reducing the workforce through downsizing measurements and that the procedures are fair. On an organisational level most workplace trade unions make use of a lay representative system of some sort, often through electing representatives for the workforce through fellow union members, these 'shop stewards' are then accredited with management responsibilities of the union at the work place (Dundon & Rollinson, 2011).

2.6.1. Trade Unions in Norway

In times of downsizing one important aspect in the Norwegian labour market is the involvement of the union throughout the process. The country has seen a high trade union density at a stable 58% over the last 20-30 years, despite the substantial changes that have happened in the labour market (Nergaard & Stokke, 2007). One such change is the decrease in blue collar jobs such as manufacturing while the number of employees with higher education entering the labour market has increased, however this change has mostly led to a change in relative strength of the different unions rather than affecting density as such (Nergaard & Stokke, 2007).

2.6.1.1. Norwegian Working Environment Act

In Norway the shop stewards have a central role in the representation system and their rights are strongly protected through the Working Environment Act (Falkum, et al., 2009), with clear procedures in regard to downsizing and consultations with the elected trade union representatives. If the redundancies amount to 10 or more employees within a period of 30 days the employer is legally obligated to consult with the employees' elected representative as soon as possible in order to attempt to avoid redundancies or at least reduce the numbers. If redundancies cannot be avoided all efforts shall be made to mitigate the adverse

effects through covering topics with the employee's representative such as possible social welfare measures through added support for employees who have been made redundant. Involving the elected representatives in these consultations are indications of a legitimate and strong process, while failing to do so indicates the opposite (Törnroos, 2015).

The employees' representatives shall have the right to receive expert assistance from i.e. the trade union or through other sources in these cases. When the projected redundancies are caused by someone with superior authority over the employer, such as the management of a group of companies, the employer is still obliged to enter these consultations with the employee's representative (Directorate of Labour Inspection, 2013).

2.6.2. Research on perceived Trade Union importance during downsizing.

Previously few studies have been conducted on unionised employees in downsizing situations and how it relates to the perception of fair processes and job security compared to non-unionised employees. A few studies have looked at how downsizing affects union attitudes (e.g. (Sverke & Hellgren, 2001)) mostly in the Scandinavian countries such as Sweden, which are countries with high level of union density.

As discussed in the literature above; research has found that perceptions of fair treatment from the organisation can have positive effects on work- related attitudes and can buffer the negative effects of downsizing (e.g. (Brockner, et al., 1992)). There has been few studies on how support provided from the union has the same effect (e.g. (Dekker & Schaufeli, 1995) (Hellgren & Sverke, 2001)). These studies have also focused on the Swedish and Australian labour markets, which have different union density levels compared to Norway.

2.7. Conclusion

While a lot of studies has been done on Downsizing and the effect on the 'Survivors' in the companies, however it must be taken in to consideration that many of the main pieces of work were done almost 20 years ago and while still relevant today they are unable to take into account the current fast moving business climate, which will increase job uncertainty. Another aspect is also the different generations currently in the workforce, with different expectations to their time at the different companies a downsizing situation is bound to affect them differently.

Cameron et al. (1993) defined downsizing as

> *'A set of activities by the management of an organisation in order to improve certain aspects such as efficiency, productivity and/or competitiveness. The strategy to downsize will decrease the size of the firm's workforce and its work processes '* (Cameron, et al., 1993)

This has been an increasing way of improving performance at companies, and the research that has been done has focused on remaining employees in both private and public sector and different setting, one clear finding being the display of the same set of behaviours and emotions, a concept which has been defined by theorists as 'survival syndrome'. This is seen through anxiety, anger and increased stress and loss of confidence in upper management. This can, if not taken into consider by the management, ultimately lead to decreased performance and a loss in profit.

Employees are also likely to perceive downsizing as a breach of the 'psychological contract' they have with the company. This refers to their person expectations of the employer, both in regards to their perceived security with the firm and the trust being broken if not being properly informed about big internal changes.

One of the best ways to address 'survival syndrome is through open and effective communication from the top management. By communicating both the rationale for downsizing and the potential numbers and positions that will be affected employees will gain more trust to the company, and the post-layoff vision for the company is more likely to be respected be all parts involved

Management can also offer support through Perceived Organisational Support (POS), through i.e. a feedback mechanism for employees to voice their concerns, or Perceived

Supervisor Support (PSS), i.e. through one to one conversations with the supervisors whom can decrease job uncertainty by being visible in the office in times of need.

The researcher will be collecting primary data from Wärtsilä Norway in order to gain new knowledge on these topics, and the methodology for the primary data will be evaluated in Chapter 3.

3.0. Chapter 3 - Methodology

This chapter will describe the research strategy, data collection methods and data analysis techniques used within the study, employed in order to achieve the following research objectives;

2. *Identify the employee perception of fair procedures after downsizing in the Norwegian Energy and Marine Industry.*

2.1. Research Methodology and the Research Onion

In order to understand research one can refer to the definition introduced by Collis & Hussey (2009);

> *'A process of enquiry and investigation, it is systematic, methodical and ethical, and can help solve practical problems and increase knowledge'* (Collis & Hussey, 2009, p. 3)

When undertaking a research project it is important to be aware of the different stages and methods at different levels during the project. The Research Onion by Saunders et al (2009) illustrates this below;

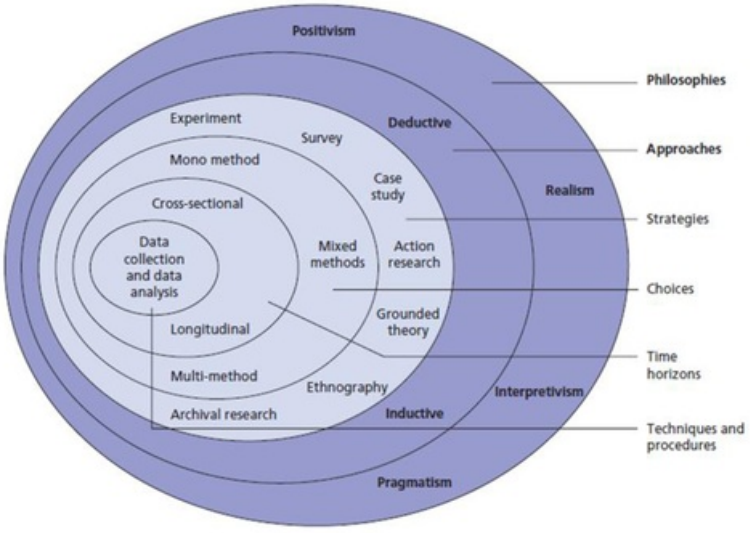


Figure 2 Research Onion (Saunders & Thornhill, 2003, p. 138)

Referring to the research onion this chapter will explain the different stages of this specific research project.

Cross-sectional design will be approached through in-depth interviews, a set of qualitative data. This will aid the researcher in interpreting the data collected, and the use of qualitative data can help explain relationships between quantitative variables (Saunders, et al., 2009). In this way the survey will give the researcher information about patterns or behaviours that can be studied more in depth in the interviews.

On the next layer of the onion one can identify that both grounded theory will be applied in order to best understand and analyse the data collected. The study will be inductive and using the philosophical angle 'Interpretivism'.

2.1.1. Interpretivism and the Social Context

From the outer circle on the Research Onion the researcher have chosen the '*Interpretivism*' epistemology, advocating that the researcher has to be aware of the differences between human in our role as social actors, emphasising that there is a difference when conduction research on people rather than i.e. computers.

Positivistic	Phenomenological
Tends to produce quantitative data	Tends to produce qualitative data
Uses large samples	Uses small samples
Concerned with testing theory (deductive approach)	Generates/builds theory (inductive approach)
Data is highly specific & precise	Data is rich and subjective
The location is artificial	The location is natural
Reliability is high	Reliability is low
Validity is low	Validity is high
Generalises from sample to population	Generalises from one setting to another

Figure 3, Difference between Positivistic and Phenomenological Research (Collis & Hussey, 2003, p. 55)

Interpretivism is a strand from Phenomenology; referring to how humans make sense of the world around through interpreting actions of others and adjusting our own actions and behaviours (Saunders, et al., 2009). The difference between phenomenal and positivistic research is illustrated in Figure 3. Saunders et al (2009) argued that the interpretivist perspective can be highly suitable to research done in the field of business and management research, especially linked to organisational behaviour, due to the complexity of the

uniqueness of business situations, and can provide good analysis of particular set of circumstances and individuals coming together at specific times. As this research project will be looking at downsizing in an organisation which has currently undergone downsizing it is an appropriate research method, taking advantage of small samples and providing rich data from a natural setting. Using the Interpretivism the paradigm would be to understand the fundamental meanings attached to organisational life.

2.1.2. Cross-Sectional Design and Mono-Method

In regards to the research being undertaken as part of an academic course a cross-sectional design will be used due to the time constrain. It was recognised by Saunders et al (2009) that researcher using this design approach often involves interviews conducted over a short period in time in order to take a 'snapshot' of events over a given period. It can also be identified from the 'Research Onion' that it will be research will use a mono-method as interviews will be the only way of collecting primary research.

2.1.3. Inductive Research and Qualitative Analysis

In relation to the research onion the data collection will take an inductive approach, which means that the analysis will work with the data in the form it is observed, heard and recorded (Matthews & Ross, 2010). It works well when commencing an exploratory project seeking to generate a direction for further work, often a necessity due to the limitations such as time and resources in bachelor dissertations.

The use of an inductive approach allows a good 'fit' to develop between the social realities findings from the participants and the theory that will emerge. This will also be a benefit to the participants as they will be able to recognise the theory that emerges from the research. It can also be a benefit due to the theory's generalisability as it can be tested in other contexts (Saunders, et al., 2009).

To analyse the data collected the study will use grounded theory, an appropriate way of gathering and analysing qualitative data, especially in an area not previously explored by literature, in this case downsizing in the Norwegian Energy and Marine industry.

In regard to the Human Resource topic chosen for this research project this approach will be a good fit when analysing the results gather through interviews with individuals within Wärtsilä in order to establish themes in regard to downsizing. The qualitative data will be the interviews available through transcripts in the Appendices.

2.1.4. Purposive Sample

Due to restrictions of both time and resources to obtain and analyse all of the data available the researcher will use purposive sampling to obtain primary research data, in order to gather only the data needed from a sub-group rather than all possible cases or elements (Figure 4). The sample data will be analysed in order to generalise about all the cases from which the sample was selected (Saunders, et al., 2009)

Purposive sampling has been defined by Denscombe (2014) as;

> '*The sample is 'hand-picked' for the research. The researcher already know something about the specific people or events and deliberately selects particular ones because they are seen as instances that are likely to produce the most valuable data*' (Denscombe, 2014, p. 42)

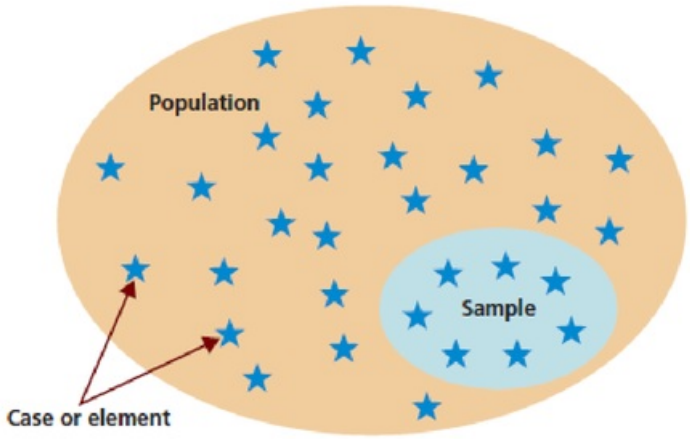


Figure 4 , Illustration of Sample in context (Saunders, et al., 2009, p. 211)

For this research purposive sampling will be an advantage which will give the researcher an opportunity to gather rich data from through the interviews done at three Wärtsilä locations in Sunnhordland.

2.1.5. Interviews and Point of Saturation

The interviews that are being conducted will be semi-structured; with a clear list of issues to be addressed and questions to be answered. The interviewer is also flexible in terms of the order the topics are considered, and interviewees have a chance to speak more widely on the issues raised by the researcher (Denscombe, 2010). The interviews will be one-to-one, which is easy to organise and when conducting a semi-structured interview it is easier to develop individual ideas from the interview. It also makes time management for the researcher easier as transcribing the interview is easier with only one person speaking at the time and two voices to recognise.

In regard to the number of interviews grounded theory constantly compares the data being collected with the concepts and categories being used, to aid the process of developing an emerging theory based on that data. This theoretical sampling is then continued until 'theoretical saturation' is reached. Theoretical saturation occurs when the data collected no longer reveal new and relevant insights. One theorists view on how many interviews are

needed in phenomenological studies before theoretical saturation occurs is Creswell (1998) who recommended between five and twenty-five interviews.

2.1.6. Grounded Theory

To get a good understanding of the qualitative data, the concept of 'grounded theory' will be applied. This has been explained as;

> *'An approach to the analysis of qualitative data that aims to generate theory out of research by achieving a close fit between the two'* (Bryman, 2008)

This fits well with the research subject chosen as the previous theory and potential findings can lead to new understanding of the subject or particular aspects, highlighting a new course or different findings, and it aids qualitative studies as it enables prediction and explanation of behaviour (Glaser & Strauss, 1967). It is a benefit as it supports the idea that data collection and analysis occur at the same time. The approach also allows for coding; the process of marking or identifying data for later analysis.

2.1.7. Credibility and Dependability

Pole and Lampard (2002) argued that reliability does not apply to qualitative research, due to the relative ease with which quantitative researchers are able to assess the reliability of their findings in statistical terms. Whereas the findings from a qualitative research will be subject to the researcher's knowledge and understanding of the themes. For a qualitative researcher simple assessment of reliability and validity cannot be confirmed due to replication of interviews in a similar setting is known to be practically impossible (Pole & Lampard, 2002).

2.1.7.1. Credibility

When conducting qualitative research the focus should be on the credibility of the researcher and the findings. It is important that the research demonstrates that the findings are based on practices that are acknowledged to be the base of good research. This means offering reassurance that the qualitative data have been produced and checked in accord with good practice, and to address the accuracy and appropriateness of the qualitative data researchers can use;

- *Triangulation.* The use of contrasting data to support an argument.
- *Respondent Validation.* The researcher can show the findings to the participants and this way validate the findings.
- *Grounded data.* The findings are grounded extensively in fieldwork and empirical data, and the time spent in the location being researched provides a solid foundation

for the conclusions based on the data and adds to the credibility of the research (Denscombe, 2010).

2.1.7.2. Dependability

While the researcher's actions and interview technique cannot be replicated reputable procedures of good practice can be used as a proxy in regard to whether the study could be replicated. One way is a detailed and open process of behaviours and actions by the researcher, such as transcripts of the interview and information about how the interview participants were chosen. In effect, the research process must be open for audit (Denscombe, 2010).

2.2. Ethical Concerns and Limitations

One of the concerns about the study is the sensitivity in regard to the questions asked about dismissal, with the literature review revealing that surviving employees can show signs of stress and unease. It is important that the interviewer as a social researcher acts in a way that minimize the prospect of any harm to the participants (Denscombe, 2010). In order to address this and minimise the limitation to the study all employees who have agreed to take part in the research will before the interview begins be given a consent form disclosing the aim of the study, highlighting the researcher's confidentiality and informing the participants that they can finish the interview if they at any point are to feel discomfort. The confidentiality form also provided reassurance that their participation would not affect their job, in regard to the potential of managers seeing the interviews and recognising the individual employees.

At an undergraduate level the research is also subject to restriction regarding the time limit of the study and the financial aspect regarding the researcher traveling to Norway for the interviews and the difficulties to do any additional interviews later on.

Chapter 4 will describe, discuss, evaluate and explain the data that was collected using the methodology in this chapter. Grounded theory will be used to analyse the results, through highlighting codes and categories in the data.

4.0. Chapter 4 – Data Analysis

4.1. Introduction

This chapter will address objective 2 through the analysis of the primary data:

2. *Evaluate the findings and highlight best practice of downsizing processes within organisations in the Norwegian Energy and Marine industry and make recommendations for managers to best deal with surviving employee in the aftermath of downsizing*

Grounded Theory data analysis will be used, originally developed by Glaser and Strauss (1967), organising the data using codes and categories, finding emerging theory from the data. The interview transcripts will be divided in to open codes, see Appendix 2, and then presented as the main interlinked themes using a narrative to present and analyse the findings and its contribution to existing theory.

4.2. Background for findings

Though careful scrutiny of the interview transcripts the researcher will be able to identify and present themes that are being repeated and what theory might emerge from those themes (Denscombe, 2014). The findings will be presented using a narrative, with linking main themes introduced, as recommended by Pratt (2009) when writing up a qualitative study and using grounded theory. The analysis of the findings are based on a mono-method of data collection, which was interviews of employees at the organisation chosen for the primary research; Wärtsilä.

All of the interviews started by asking the interviewees about their role at Wärtsilä and the length of their relationship with the employers. This was to establish that the interviewees were all shop floor level employees without immediate management responsibilities in aid of the research objectives. For the purpose of confidentiality these answers have been deducted in the appendices in order to protect the identity of the participants. The interviews were semi-structured and consisted of 8 open-ended questions. Due to the interviews being conducted in English, the interviewees' second language, everyone was given the opportunity at the end of the interview to speak freely in Norwegian about things they might have felt unable to express in English and this was then translated in the transcripts. This provided an opportunity to gather the most realistic and rich data through a more free

floating conversation rather than the formal set up of the interview conducted in their second language.

4.3. Main Findings

4.3.1. Trust

4.3.1.1. Knowledge of business environment

All of the participants in the study were aware of how the current drop in the oil price had led to less demand and investment in the energy and marine market, affecting the manufacturing company hard. Working in a volatile sector so dependent on oil prices meant that the employees were used to staying informed on the market and were aware of the potential challenges they would face. They were also aware that they were not getting enough contracts to perform to full capacity. The decision from the company to downsize was therefore not a surprise to the participants, and they explained how the exact number of how many positions were being cut had come from the headquarters from Finland. Local managers were then partially involved in deciding who the affected would be. When the employees found out the number of employees being laid off it still came as a surprise as they had not been able to anticipate the severity of the situation.

> '*All of us saw it coming, due to the market (situation). But of course, when they decided to inform us about it, in an information meeting, of course it was a bit of a shock. Because we knew it would come, but you always hope things will be okay. And the amount of employees that they were firing were much more people than we had imagined*' (Participant 3)

Anticipation and understanding of downsizing as a necessary evil of businesses in today's business environment was also found to have a mitigating effect on survival syndrome in the 2000 study by Baruch & Hind, especially when employees saw it happening in similar companies in the same industry.

4.3.1.2. Restored Psychological Contract through trust

One result that emerged from this study was that having knowledge and understanding of the reasons behind the downsizing acts as a mitigating circumstance and helps avoid the perception of the employer breaking the psychological contract, as everyone is aware that their contract of employment as well as their psychological contract is dependent on the oil price. The fact that the downsizing was not perceived as violating the reciprocal obligations between the employer and employees is further supported by the work of Grunberg, et al., (2000).

This perception was also further enhanced by the statements by all participants that the downsizing process had not affected their perception of Wärtsilä as an employer.

> *'I think that cutting jobs is not nice and I think they are not doing this because they have pleasure in doing it, it is because of the circumstances. And everybody knows that we were not performing as expected'* (Participant 4)

> *'Wärtsilä is very challenging organisation, and what I have seen is that Wärtsilä is a very strong organisation. So, but. Maybe the business areas, now because of the oil prices, there is not much of employment happening. As and when there is a good position I would definitely recommend Wärtsilä as a good employer'* (Participant 5)

In this particular case study the headquarters in Finland gave the numbers of redundancies to be made, and so the employees at the local offices of Wärtsilä Norway did not feel like it was their immediate employers implementing the changes.

> *'I think more rage was towards Finland at the time, because I think the perception was that Finland had given us, the bosses here, a number to reduce. So I think it was kind of us versus them, us being all the people in this office including managers. And they are the one giving the head count' (Participant 5)*

This finding support previous the work by finding that organisational commitment is not necessarily decreased as a result of lay-offs, also supported by Greenberg et al. (2000).

4.3.1.3. Perceived PSS mitigating Survival Syndrome

While an emerging theme after this quote was a distrust towards POS, trust was aimed towards the local managers and there was a perception of PSS, supporting previous academic research done by Tourish et al (2004). Local managers were seen as simply executing a task they had been set, while still showing consideration for the employees. The participants expressed that they at all times felt that they could approach managers, however they were aware that not even they had all of the information at times. This supports the findings from Donia's (2000) research; when managers are prepared and available for questions it fosters a feeling of justice and fairness. The local office had a better working environment as a result of this support from the local managers, improving the individuals' perception of the overall situation.

> *'If you had whatever doubt, or you were feeling bad and you need to talk to somebody then I think that the management in that particular sense played an important role. They were available all the time, (…) every single minute of the day to give the kind of information you needed, explanations related with the process, but not the very detailed explanations' (*Participant 4)

While some participants expressed frustration because of the feeling that they were not given the full picture of the downsizing, they understood that the managers were only able to answer some of their questions due to the confidentiality of the situation. This led to a feeling of continued trust towards the managers, in line with the findings in Amundson's (2004) study as well as Spreitzer and Mishra (2002), which found that the presence of and access to supervisors during the downsizing process will enhance trust and act reassuring.

> *'This office … is not that big an organisation. So I think people knew who to contact… I am not really sure if all the managers here had sufficient knowledge to answer all of the questions. People have all kinds of questions relating to NAV (The Norwegian Labour and Welfare Administration). Of course every manager in the office here didn't have all the knowledge'*

The simple but important measure of PSS has also proven to reduce turnover intentions (Newman, et al., 2012) and was something valued by all of the participants in the study. Previous studies on survivors of downsizing have found that they express feelings such as; anger and resentment (Amundson, et al., 2004), and display behaviours such as stress from increased workload, perception of unfairness, feelings of not being kept well informed, loss of motivation and loss of confidence in upper management (Kusum, 2004) (Brockner, 1992). This study did not find that the participants showed a combination of characteristics that can be linked to survival syndrome. While previous studies have found it difficult to pinpoint exactly what factors help moderate survivor syndrome (Baruch & Hind, 2000) in this particular study factors such as PSS, understanding the business context and fair process have aided to mitigate the perception of participants displaying survival syndrome, factors recognised by Baruch and Hind (2000) as contributing towards ensuring the best psychological outcomes for the survivors.

4.3.2. Participants' perception of best practice

4.3.2.1. Perception of fair processes

While the belief was that the managers had done the best they could, it was highlighted that the lack of a formal and structured plan of action especially regarding communication from management's side led to increased uncertainty among the employees. As the participants worked in three different offices all differently affected by the downsizing there were some individual differences, but overall the recommendations were similar. The communication started from the headquarters and was introduced in a general group meeting. Most participants had a 15-1 meeting, referring to the individual meeting between the employer, represented by a manager and HR, and the employee. Particularly the 15-1 meeting was

perceived as a fair process as it gave individuals the opportunity to present themselves and their credentials.

> *Yes (the 15-1 meeting) it was very professional. It has been not only one interview, but series of meetings and before that it was the union. So everyone has a right to take his union representative with him for the interview. So that he can present you as a member of union. And everyone has been given a fair chance* (Participant 2)

The employee has the right to bring representation, commonly through a union representative (Törnroos, 2015). This process was perceived by all employees as a way of executing fairness to all employees, and the added support available in bringing a union representative was by many acknowledge as a great cause of reassurance.

4.3.2.2. Rumours as a result of infrequent information

During this process it became evident that the office was using informal communication processes to try and get news. This is common during downsizing process where there is a lack of frequent information available to the employees, and in order to avoid this affecting performance during the downsizing process management can address the issue through frequent information (Bordia, et al., 2004).

> *'There was a lot of talking, rumours, negative talking about the management. And that affected our work'* (Participant 3)

One stressor perceived by the participants were feeling that their concerns were appropriately addressed, a result of managers potentially not having enough information at the time as well as lack of clarity regarding what criteria were applied for both the legal requirement in the meeting and in the organisational setting. At the end of the review process the affected employees were called in for their final meetings and laid off, while the survivors in many cases were left confused as for why they were chosen to stay with the organisation.

> *'I think the process was not very transparent. I never got the whole picture about the restructuring process, so it was just me asking the others; 'do you know who is going to go, I don't know, and yes, I got three names'. And then you have to build up your own picture of what is happening and how the process is going. I cannot blame the company for that because I don't know how much of this is because the company wants to it in such a manner or if it is because they are required by the law'*
> (Participant 4)

In these situations it has been confirmed by both the participants in the study and previous research (Tourish, et al., 2004) that clearly communicate to survivors that downsizing

process has officially ended will be reassuring for employees who will feel more secure and be able to return to normality in the office.

4.3.2.3. Need for consistency to aid justice

An emerging theme during analysis of the result was the consideration shown from the survivors who saw their colleagues and friends being made redundant, and while they felt lucky to still be employed they had a strong sense of justice. Several participants commented that while the review process had be done in a fair way, there had been cases in which HR had not managed to remain professional when dealing with the sensitive situations, and the lack of consistency led to a mistrust towards HR.

This correlates to the study by Donia (2000); the feeling of justice relates to the perception of fair decisions and treatment in the time after the downsizing. Organisations facing downsizing should be aware of the importance of consistent treatment, and with several HR staff needed to execute the number of redundancies it is important that all individuals are treated in a fair and considerate way. Some of the participants expressed some levels of concern and compassion for the layoff victims and the way some of them had been treated in the process.

> *(The treatment of the layoff victims were) very split. Some management treated them very well and open minded, but some weren't as good, not as professional. It was just more or less; you have to leave. And that was it. Of course many of them were in shock, because they had been here maybe 25-30 years and to see that the younger employees were able to stay but not them. So it was not the easiest situation.* (Participant 3)

> *For my part it was … easy… But I know there are many people who are not satisfied, of course* (Participant 1)

It was further affected by the fact that due to the size of the different offices HR's presence at the individual location was based on a few days a week, while also busy executing redundancies holding meetings in the different locations.

> *Of course maybe HR was the hardest people to talk to because they are here once a week maybe. Also HR was very busy at the time with downsizing at both here and (at the other locations). So they had enough to do* (Participant 5)

The importance of a balanced HR approach was supported in similar studies by Baruch (1998) and Mishra et al. (1998). Research around best practice has found that in order to best be able to deal with employees' perception and beliefs, and treat everyone involved

with respect and dignity during such a hard time, offering all executors of downsizing with sensitivity training can be a way of achieving this solution (Jolivet, et al., 2007).

The findings in this study is based on interviews with floor-level employees without management responsibility, and it should be noted that research has found that during downsizing situations employees facing job uncertainty are likely to articulate a need for more information and feel that management are keeping information more secretly than what is really the case, and it can be hard to balance the two perspectives in difficult times (Tourish, et al., 2004).

4.3.3. Optimism in retrospect of the Downsizing

4.3.3.1. Aftermath of the Downsizing

A benefit of the timing of the interviews done in the study was that they were conducted a few months after the downsizing process had ended; the last employees to be laid off had left the office after their notice period, and the office had just started to run at its new normal. This meant that the participants were able to express their opinions of the downsizing process as a whole, and give advice on how the process could be done to improve the experience of the survivors, improving the quality of the responses and avoiding emotional biases.

> *'I think of course everyone was very insecure all along the process until the final. Until all the people actually left the office. I think that people are secure'* (Participant 5)

Having finished the downsizing process also meant that the survivors were able to look ahead and focus on the future, while being appreciative of having survived the downsizing and feeling like they have a value to the company as they were chosen to stay.

> *'(I got to stay because) I think that I have a value for this company and my experience and my background, everything counts'* (Participant 4)

This supports the study by Armstrong-Strassen (2002) which found that job security for survivors in downsizing were significantly higher in the aftermath than in the other stages such as when anticipating it and during the downsizing itself. This is often a result of effective change implementation by management in the affected organisation (Campbell-Jamison, et al., 2001).

4.3.3.2. Optimism in relation to personal future

Despite the acknowledgement that the energy and marine energy sector will always be volatile survivors expressed an optimism for both their personal immediate future and the future of the organisation. However the current feeling of security is likely to be linked to the aspect that the current round of downsizing had just finished, and with the scale of redundancies the employees expressed a hope that for now they would be safe, with the corporation paying less attention to the hard hit Wärtsilä Norway offices.

> *'I think that people are aware that we are actually, in today's situation, we are very lucky to have stayed. And that does something to you. It makes you realise that you cannot take everything for granted. It makes you look at things from a new perspective. It is very much an atmosphere in which we feel that we have to perform now and people are eager to start new tasks and approach new challenges. There is an eagerness to do a good job. So there is not at all the case that people are … unmotivated, we keep fighting and do our very best'* (Participant 3)

This shows how although all downsizing processes have potential to improve seen from the employees' perception, if the overall process is seen as having been done in a fair way it is possible to mitigate the worst case scenario of unmotivated employees with decreased performance. This result is in line with research done by Baruch & Hind (2000) which found that employees appreciate fair practices which are communicated in an appropriate way.

4.3.3.3.3. Optimistic about the sustainability of the organisation

The employees in this case study were aware that no one could ever be fully secure in their jobs as a result of a revolving world where the working environment changes at a high pace, and while the current situation is volatile it is important to take advantage of the opportunities to improve and stay competitive. This can be linked to feelings of personal control, while they knew that they were dependent on a volatile good like oil they had a feeling of personal control through doing their best at their job and work to improve overall organisational performance, a result also discovered in a study by Paulsen et. Al (2005).

> *'What you can do is what (is) in the moment I have in front of me … I have to think it is about how good quality work and output you can produce, and how efficient you can make your organisation in this competitive market. So that is what I bother about. And not about how the situation is, because the situation you cannot change'* (Participant 2)

The participants in the study expressed optimism related to the potential business development through market development; the ships they have previously designed for oil related purposes have potential to be used for new environmental purposes.

> *'Of course they (Wärtsilä) do not only operate within the oil, but also with fishing boats. So there is hope. And ferries, that is something that is very up and coming. And new solutions, new technical solutions'* (Participant 1)

By staying optimistic about the survival of the company in the future the participants believed they themselves would have a future with the company, and having survived this round of redundancies they now felt confident that they were a valued asset to the company. Similar to the findings by Armstrong-Stassen (2006) they continue to work hard and are motivated to improve both personal and organisational performance.

4.4. Theoretical Conceptualisation of Best Practice Downsizing

The final product of this qualitative study using the grounded theory methodology is an integrated grounded theory which explains a process associated with the phenomenon in this study (Birks & Mills, 2011). Based on plausible relationships among concepts and sets of concepts, the researcher is able to generate a conceptual theory that can result in similar consequences if applied to similar situations with similar conditions (Corbin & Strauss, 2008).

This case study has highlighted some approaches to best practice for management facing downsizing procedures in companies in the Norwegian Energy and Marine industry. The area has previously seen little research and the findings from this study will contribute knowledge for anyone looking to explore this subject in the specific setting.

The study found evidence that certain aspects from previous best practice models that have been applied to different sectors, such as financial sectors (Kusum, 2004) and manufacturing (Grunberg, et al., 2000) also appeared to act as a way to mitigate survivor syndrome in the setting chosen for this research.

It should be noted that this theory aims to contribute to knowledge of the Norwegian Energy and Marine Industry and while it can be tested in similar settings with the same conditions, it is likely to not provide the exact same findings as it will be based on the researcher's analysis, a common finding in qualitative research (Saunders & Thornhill, 2003).

This grounded theory is a conceptual model which advises management facing downsizing on how survivor syndrome in downsizing survivors can be mitigated through management and HR aiming to provide *consistent and frequent communication, execute perceived fair processes and aid the employees trust through PSS.*

4.4.1. Consistent and frequent Communication

Management should aim to give employees consistent and frequent information, using formal information channels such as through general meetings in order to best address questions from employees and make sure everyone gets the same information. This acts reassuring and addresses concerns from employees and will mitigate feelings of job uncertainty and insecurities. Communication should be of high importance to managers at all three stages of downsizing; implementation, during and in the aftermath. When the downsizing has been implemented management should aim to address the survivors to establish that the process has ended and things will return to normal. This will make it easier for employees to go on with their tasks and provide a feeling of security and reduce stress.

4.4.2. Perceived Fair Processes

Management should aim to inform the employees about their rights and laws by which the organisation will be abiding, and how to gain more information on the topics. Through making them aware of how the laws protect both the employees and the employer in a downsizing situation the perception of fair processes, regarding the processes followed by the organisation and how employees are selected for redundancies, will be improved. This will be beneficial to the employees; who will experience reduced stress through addressing uncertainty around the processes and to the employer. Through informing the employees that the company are following the employment laws there will be reduced risk of unfair dismissal claims and the increased financial burden and pressure on HR and management following employment tribunals.

Individual meetings, known as the 15-1 meeting referring to the specific point in the Norwegian Working Environment Act, will give every employee the opportunity to present themselves and their contribution and value to the organisation. This way the employees also feel like when their position is being considered they have had a fair opportunity to present themselves.

In the 15-1 meeting the employee has the right to bring representation through either a lawyer or a trade union representative. This opportunity increases the perception of fair processes, and should be highlighted by management when informing about the 15-1 meetings. Through informing all employees, unionised or not, about this right everyone is made aware of the availability of support.

4.4.3. Aid Trust through PSS

Managers should aim to be available to the employees through throughout the downsizing process to address any questions the employees have that they might not feel comfortable asking in a group setting or relating to individual concerns. It is important that managers are prepared for questions relating benefits and laws regarding redundancies and severance packages. It is also important that all managers are briefed on what to say and not say, to avoid dealing with new information that could leave to rumours in the office and lead to mistrust from employees.

With managers taking these steps employees feel respected and reassured that while big changes are happening to the organisation the management aim to do it in the way that is least harmful to the employees and aim towards continued trust. Continued trust to local managers will also be beneficial in the aftermath of a downsizing as employees will be more motivated to perform in a setting with a manager they perceive to be consistent and trustworthy.

5.0. Chapter 5 – Conclusion and Recommendations

This chapter will discuss how employees in a company in the Norwegian Energy and Marine industry perceive downsizing. This is a field which has previously seen little academic research and a summary and interpretation of the study's findings will provide a brief overview of the study and discuss how the three research objectives have been met. This will be followed by a discussion regarding limitations of the study in relation to the research methodology and previous theory.

5.1. Summary of findings

The analysis of primary data collected for this research found several important themes regarding best practice downsizing from the perspective of shop floor level employees at three different Wärtsilä Norway offices. Themes such as trust towards the employer and the local managers appeared to be a result of the employees being conscious of the volatile market the organisation operates in, and the perception of support available to them from the individual managers. This, in combination of the interviews being conducted after the downsizing has finished, contributed to a sense of optimism in regard to the future of the organisation and their jobs. The interviews highlighted similarities to previous literature in different industries, while also presenting interesting new themes which deserves further research.

Through Chapter 2, the literature review, the researcher was able to get an understanding of related topics in the subject area and successfully achieved research objective 1. The second research objective, identifying the employee perception of downsizing was then reached through conducting interviews with the employees at Wärtsilä. The findings from these interviews were then analysed in Chapter 4, data analysis, where the best practice examples were presented in a grounded theory theoretical framework, addressing the last research objective; to evaluate the findings and highlight best practice.

5.2. Interpretation of findings

The findings provide information regarding the employee perception of downsizing in the Norwegian Energy and Marine industry, and while there was not enough evidence to prove that the employees displayed survival syndrome it provides important knowledge on which measures can help mitigate it. It also confirmed the assumptions from previous literature

regarding the importance of organisational communication and the perception of justice and fair processes. These findings will act as best practice for managers and HR facing downsizing processes and while the study was conducted in a Norwegian company in the Energy and Marine industry the findings correlate with studies in other sectors, confirming that the sociological aspect can be of interest to managers in other sectors as well.

5.3. Context of findings

The research was conducted in one company in the Norwegian Energy and Marine industry, an industry which there had not been little research into previously, with no similar studies identified in the literature review. The research design, using a qualitative study with analysis of findings based grounded theory has previously been much used in studies regarding survivors of downsizing. Based on similar methodology being used by other researchers the findings identified links between this case study and studies done in other sectors. These similar themes supports the best practice models which have previously been recommended. The lack of evident survival syndrome among the participants and the reasons highlighted for it; *consistent and frequent communication, execute perceived fair processes and aid the employees trust through PSS,* was supported by previous research presenting factors which mitigate survival syndrome.

5.4. Implications of findings

This study's findings around the employee perception of downsizing provide additional support to previous academic theory highlighting best practice in downsizing processes through participants displaying emotions and explaining individual experiences in a way which has previously been identified when looking at survivors of downsizing. The factors which emerged as mitigating survival syndrome were in line with previous research theory highlighting best practice during downsizing.

The setting, the Norwegian Energy and Marine Industry is affected by the volatility of the oil price, which has been fluctuating drastically over the last 12 months. With little previous research this study discovered that the employees in the case study who had knowledge and understanding of the market situation were more prepared when the downsizing process begun. For managers and HR in this setting the study provides indicators of how to mitigate the potential negative effect on employees' psychological state during downsizing, and it can be beneficial to everyone in the affected organisation and aid as guiding best practice.

Professionals facing the prospect of being in charge of downsizing will be more prepared and able to operate in a more sustainable way.

5.5. Research limitations

One limitation of the study is the dependability of the qualitative research, whether it can be replicated by other researcher in a similar setting. This study addressed this through operating by examples of good practice as highlighted by previous academics in qualitative researcher, and the study includes the interview questions and transcripts in order to prove the quality of the study and leaving the study open for audit.

The study design saw the limitation of the fact that the study being conducted in English, the interviewees' second language. This could at times could lead to shorter answer, where the participants seemed to be constrained by looking for the English translation for what they wanted to say in Norwegian. This was addressed and impact minimised by the researcher initiating a small conversation at the end of the interview in Norwegian, allowing the participants to elaborate on topics they felt more at ease when talking about in their first language. The measure provided richer and more detailed data which got translated when the researcher typed up the interview transcripts.

The topics covered in the interviews were of a sensitive matter so there is a potential that the interviewees did not want to contribute personal statements due to lack of trust in the researcher. The lack of trust in the researcher also meant that participants might not want to disclose information regarding their employer in fear of repercussions. This was addressed by supplying all participants with a confidentiality form, attached in Appendix 1, stating that participation in the interviews were voluntary and identities would not be identifiable in the final report.

5.6. Recommendations for future studies

This research was conducted using a qualitative approach and in order to avoid limitations mentioned previously future research could aim to avoid researcher bias and confidentiality issues through using a qualitative methodology issuing participants with questionnaires instead of conducting interviews.

The grounded theory generated in this research was a result of the study being conducted in a company in the Norwegian Energy and Marine Industry, but with links clearly being evident in research from other industries shows that there is a potential apply the theory from this study and test it in other sectors to confirm and further support recent findings on survivors of downsizing.

The main themes discussed in Chapter 4 all had close links, and appeared clearly as emerging theory based on the collected data. As with qualitative studies, other themes are likely to show, all though not necessarily as closely linked to the main findings (Pratt, 2009). This study found some interesting links between the perception of fairness and the right to trade union representation in meetings with management. The perceived importance of the support available from the trade union in times of downsizing and how this aids to further mitigate survivor syndrome is an interesting topic which deserves and requires further research. The Scandinavian context is especially interesting for this research, due to its strong grounding in the law and high density compared to other parts of Europe and the US.

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Appendices

Appendix 1 – Ethics Form

PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

E3 FORM

APPLICATION FOR ETHICAL APPROVAL – BA level

CAIS AM GYMERADWYAETH MOESEGOL – Lefel BA

Mae'r ffurflen hon i'w chwblhau gan bob BA myfyrwyr. Rhaid i bob ffurflen gael ei ystyried gan diwtor y modiwl. Dylai un copi o'r ffurflen yn cael ei roi ar y ffeiliau Gyfadran ac un copi cadw ar y ffeil myfyrwyr.	This form is to be completed by all BA students conducting research, projects or productions. This form should be completed by the student. All forms must be considered by the Module tutor. A copy of the form must be kept centrally and on the student file.

ADRAN 1 – MANYLION MYFYRIWR **SECTION 1 - STUDENT DETAILS**

Enw Llawn Full Name	Anne-Margrethe Leirvik		
Ysgol/Cyfadran/ School/Faculty	UWTSD	Rhif Myfyriwr Student Number	P136934
Cydlynydd prosiect / Tiwtor Module Tutor/ Programme Co-ordinator	Caroline Jawad	Enw'r Gradd Name of Degree	BA Human Resource Management

Teitl dangosol yr Traethawd Hir: Indicative Title of Dissertation:

An analysis of the effect of organisational downsizing on employees in the Norwegian Energy and Marine Industry

ADRAN 2 – MANYLION CYFRANOGWYR / CYNULLEIDFA

SECTION 2 - PARTICIPANT / AUDIENCE DETAILS

Pwy yw'r cyfranogwyr arfaethedig?	**Who are the intended participants?**	**Ydw / Yes**	**Na / No**
Myfyrwyr / staff Y Drindod Dewi Sant	Students / staff of Trinity Saint David		/
Oedolion (dros oed 16 ac yn gymwys i gydsynio)	Adults (over the age of 16 and competent to give consent)	/	
Plant a phobl ifanc dan oed	Children / legal minors		/
Cleifion neu gleientiaid gweithwyr proffesiynol	Patients or clients of professionals		/
Rhywun sy'n cael ei gadw yn y ddalfa neu y mae'r llys wedi cymryd cyfrifoldeb amdano	Anyone in custodial care or for whom the court has assumed responsibility		/
Aelod o unrhyw sefydliad lle mae'n bosibl bod angen i unigolyn arall hefyd gydsynio.	A member of any organisation where another individual may also need to give consent.		/
Eraill: Nodwch: / Others: please identify:			

Nifer, Oed a Ffynhonnell y Cyfranogwyr Rhowch fanylion yr demograffeg y cyfranogwyr / gynulleidfa.	**Participant / Audience Number and Age** Provide details of the demographics of the participants / audience.

Nifer o Gyfranogwyr / yn y Gynulleidfa	Participant/ Audience number	Approx. 6
Grŵp oedran y Cyfranogwyr/y Gynulleidfa	Participant/ Audience age group	**30-50**

ADRAN 3 – GWEITHGAREDD YMCHWIL **SECTION 3 – RESEARCH ACTIVITY**

1.	**Ydy'r prosiect yn cynnwys:**	**Does the project include:**	**Ydy / Yes**	**Nac ydy/Nc**
Defnyddio holiadur neu offeryn ymchwil tebyg		Use of questionnaire or similar research instrument		/
Defnyddio prawf ysgrifenedig neu gyfrifiadurol		Use of written or computerised test		/
Cyfweliad (cysylltwch gwestiynau posibl)		Interview (attach provisional questions)	/	
Dyddiaduron		Diaries		/
Arsylwi ar gyfranogwyr a hwythau'n ymwybodol o hynny		Participant observation with their knowledge		/
Arsylwi ar gyfranogwyr a hwythau ddim yn ymwybodol o hynny		Participant observation without their knowledge		/
Recordio fideo neu sain		Video or audio-taping		/
Mynediad i wybodaeth bersonol neu gyfrinachol heb gydsyniad penodol y cyfranogwyr		Access to personal or confidential information without the participants specific consent		/
Defnyddio unrhyw gwestiynau, ysgogiadau prawf, cyflwyniad y gallai rhai cyfranogwyr		Administration of any questions, test stimuli, presentation that may be		/

eu profi fel rhywbeth sy'n achosi niwed / tramgwydd corfforol, meddyliol neu emosiynol	experienced as physically, mentally or emotionally harmful / offensive		
Cyflawni unrhyw weithredoedd allai achosi embaras neu effeithio ar hunan-barch	Performance of any acts which may cause embarrassment or affect self-esteem		/
Ymchwilio i gyfranogwyr sy'n ymwneud â gweithgareddau anghyfreithlon	Investigation of participants involved in illegal activities		/
Gweithdrefnau lle defnyddir twyll	Procedures that involve deception		/
Gweini unrhyw sylwedd, cyfrwng neu blasebo	Administration of any substance, agent or placebo		/
Dull arall o gasglu data neu fformat cyflwyno (esboniwch)	Other method of data collection or presentation format (please explain)		/

2.	**Restru eich dull o gasglu data**	**List your method of data collection:**
Interviews conducted face to face		

3.	**Risg Posibl:** (corfforol, seicolegol, cyfreithiol, cymdeithasol neu economaidd)	**Potential Risk:** (physical, psychological, legal, social or economic)		
A oes unrhyw risg bosibl i:		Is there any potential risk to:	Ydw / Yes	Na / No
A	Cyfranogwyr?	Participants?	/	
B	Ymchwilydd?	Researcher?		/

C	BrifYsgol/Cyfadran?	University?		/

4.	**Rheoli Risg:** Os oes, beth yw'r risg a sut y bydd yn cael ei reoli?	**Management of Risk:** If yes, what is the risk and how will it be managed?

- In regard to the sensitivity of the questions asked in the interviews all efforts will be made to ensure the safety of the participants. A consent form will be given out and participants informed about the topics researched in advance and are able to opt out at any point during the data collection. The information from the data collected will be stored safely with passwords needed for access. The guidance from the supervisor will reduce any potential risk to the researcher, as well as previous experiences from the undergraduate course. Risk to the university will be managed by being aware of the good standing name and reputation of the Swansea Business School UWTSD.

5.	Os ydych yn delio â phlant a / neu oedolion agored i niwed, rhaid i chi gyflwyno eich tystysgrif DBS i'ch tiwtor goruchwylio i'w cymeradwyo cyn i unrhyw gysylltiad â cyfranogwyr hyn.	If you are dealing with children and/ or vulnerable adults you must present your DBS certificate to your supervising tutor for approval before any contact with these participants.		
			Ydw / Yes	Na No
A	Ydych chi wedi gwneud cais am dystysgrif DBS?	Have you applied for a DBS certificate?		/
B	A yw eich tiwtor weld a'i gadarnhau eich tystysgrif DBS?	Has your tutor seen and approved your DBS certificate?		/

6.	A fyddwch yn cael cydsyniad gwybodus ysgrifenedig gan eich cyfranogwyr?	Will you obtain written informed consent from your participants?

			Ydw / Yes	Na No
A	Os na fyddwch, pam hynny?	If no, why not?	/	
B	Os byddwch, sut byddwch yn sicrhau cydsyniad gwybodus?	If yes, how will you secure informed consent?		

Rhowch eglurhad / Please explain:

- Participants in the interviews will be informed at the start of the interview and handed a consent form to sign.

Cynhwyswch gopi o'r ffurflen gydsynio os ydych yn defnyddio un.	Please include a copy of the consent form if you are using one.

ADRAN 4		**SECTION 4**	
CEFNOGWYD /APPROVED		**NIS CEFNOGWYD/ NOT SUPPORTED**	
Datganiad Mae'r wybodaeth a gynhwysir yma yn gywir, hyd eithaf fy ngwybodaeth a'm cred. Rwyf wedi ceisio dynodi unrhyw risgiau a phroblemau sy'n gysylltiedig â'r prosiect / ymchwil neu gynhyrchiad ac rwyf yn cydnabod f'ymrwymiadau innau a hawliau'r cyfranogwyr.		Declaration The information contained herein is, to the best o my knowledge and belief, accurate. I have attempted to identify any risks and issues related to the project/research or production and acknowledge my obligations and the rights of the participants.	

Llofnodau	**Signatures**
Dylai'r ffurflen hon gael ei chwblhau a'i llofnodi gan y myfyriwr a'r Cydlynydd y prosiect /Twitor	This form should be completed and signed by the student and the Module tutor/Programme Co-ordinator.

Myfyriwr / Student	Dyddiad: / Date:
Cydlynydd y prosiect /Twitor	

Project co-ordinator / Tutor	Dyddiad: / Date:

PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

CWESTIYNAU CYFWELIAD SAMPL	SAMPLE INTERVIEW QUESTIONS

TEITL Y PROSIECT: / PROJECT TITLE:

An analysis of the effect of organisational downsizing on employees in the Norwegian Energy and Marine Industry

1	Do you feel that you have been appropriately informed about the organisations financial situation as of lately?
2	How do you think the management handled the communication of the organisation's financial situation?
3	What were your initial thoughts when you were informed about the downsizing?
4	How did you experience the way the management handled the downsizing? Were they respectful, communicated clearly?
5	How has the downsizing affected your average day at work? Do you have a bigger workload, are there empty desks in the office, are there smaller/ new groups around the office?
6	How did the downsizing make you feel? For example, angry, insecure for your own job
7	In which ways do you think the management could have handled the situation in a

	better way?
8	How has the downsizing affected your relationship with the organisation?
9	How do you feel the downsizing has affected your motivation at work?
10	What do you think could improve your level of engagement at work?

ENW A CHYFEIRIAD YR YMCHWILYDD	NAME & ADDRESS OF RESEARCHER Anne-Margrethe Leirvik, Swansea, United Kingdom

PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

FFURFLEN GANIATÂD CYFRANOGIAD	PARTICIPATION CONSENT FORM

TEITL Y PROSIECT: / PROJECT TITLE:
An analysis of the effect of organisational downsizing on employees in the Norwegian Energy and Marine industry

Name of Researcher: Anne-Margrethe Leirvik

	Please initial box
1. I confirm that I have read and understand the information sheet dated XXXX for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.	☐
2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.	☐
3. I understand that any information given by me may be used in future reports, articles or presentations by the research team.	☐
4. I understand that my name will not appear in any reports, articles or presentations.	☐
5. I agree to take part in the above study.	☐

Name of Participant	Date	Signature

Researcher	Date	Signature

You may decline to participate in this study. You may end your participation in this study at any time. If you decide to remain anonymous, maintaining your anonymity will be a priority and every practical precaution will be taken to disguise your identity. If you prefer anonymity, there will not be any identifying information on audiotapes or transcripts of this or any interview. No-one will hear any audiotapes or see any transcripts without your prior consent. All materials generated from this or any interview will remain confidential.

ENW A CHYFEIRIAD YR YMCHWILYDD	NAME & ADDRESS OF RESEARCHER Anne-Margrethe Leirvik Swansea, United Kingdom

PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

FFURFLEN GANIATÂD CYFRANOGIAD	SAMPLE PARTICIPANT INFORMATION SHEET

TEITL Y PROSIECT: / PROJECT TITLE:

An analysis of the effect of organisational downsizing on employees in the Norwegian Energy and Marine industry

***THIS FORM IS TO BE AMENDED AND ADAPTED AS NECESSARY**

Dear Participant:

My name is Anne-Margrethe Leirvik and I am studying in the School of University of Wales Trinity Saint David.

I would like to invite you to participate in my research project. This project will analyse the effect of organisational downsizing on employee engagement in the Norwegian Energy and Marine industry.

Attached to this letter is a short interview developed by Anne-Margrethe Leirvik which will assess the effect of organisational downsizing on employee engagement. I believe your opinions will be extremely helpful to me.

Through your participation in the interview, I hope to ascertain how organisational downsizing has affected employee engagement in your organisation.

All interview transcripts will be kept strictly confidential to the researchers involved and at **NO** time will individual transcripts be identifiable to the general public. This gives you a chance to express your views on your programme a confidential and anonymous forum and still be able to make a difference. Your participation in this study is completely voluntary so you can withdraw from the interview at any stage.

Our interview should last about 20 minutes, but there is no time constraint. There are also no right or wrong answers. We understand that your time is at a premium but your opinions are very valuable to us.

After careful and precise analysis of the data obtained from this interview, I will be happy to provide you with a copy of the findings at your request. The results of the interviews will hopefully enhance my understanding of the effect of organisation downsizing on employee engagement and will be stored at the University of Wales Trinity Saint David. The results of the research will be fed back to organisation.

We thank you in advance for your time and participation. If any questions do arise, feel free to contact me at your convenience.

ENW A CHYFEIRIAD YR YMCHWILYDD	NAME & ADDRESS OF RESEARCHER
	Anne-Margrethe Leirvik Aleirvik.136934@student.uwtsd.ac.uk

Appendix 2 – Final issued Consent form for participants in the study

Interview Consent Form.

You are being invited to take part in the following interview. The interview has been developed to research how employees in Norwegian Energy and Marine industry has

experienced organisational downsizing. The study has a tight focus on how it has affected individual's role and work load, and how the communication from management was perceived.

Before you decide whether to participate, it is important for you to read the following consent form carefully. If you have questions before you decide to take part please get in touch with the researcher conducting the interview.

I understand that all the information collected about me during the course of **the research will be kept strictly confidential**, such that only the researcher can trace this information back to me. I understand that the information provided by me for this study, including my own words **will be recorded**, but that all such information and or/quotes will be anonymised.

I understand that my participation in this study will involve the completion of an interview consisting of 8 open ended questions over the course of approximately 30-45 minutes.

I understand that participation in this study is entirely voluntary and that I can withdraw from the study at any time without giving a reason. I also understand that if I do decide to withdraw, there will be no negative consequences.

I understand that if for any reason I experience any discomfort during participation in this study, I am free to discuss my concerns with Anne-Margrethe Leirvik (aleirvik.136934@student.uwtsd.ac.uk).

I understand that I can request a debriefing form (which explains the aims of the study and provides additional feedback) at the end of the interview by leaving my email address. I understand that this is not mandatory.

By signing this consent form, I consent to participate in the study conducted by Anne-Margrethe Leirvik (Swansea Business School, University of Wales Trinity Saint David) under the supervision of Gareth Hughes (lecturer at University of Wales Trinity Saint David).

Date and Signature: _____.

Appendix 3 –Interview Questions and Researcher's Notes

Interview Questions

- Tell me about your background; your education and previous work experience
- What is your role at the company

- Assume I have no knowledge about the downsizing at your company; what can you tell me about the downsizing situation at Wärtsilä?

- How has the downsizing affected you personally?

- If so, how has the downsizing affected your workload, and how do you feel about it?

- What do you think of the communication from the management during the downsizing?
- What are your thoughts about the people who had to leave, if anything what do you think management could have done to handle it better?

- Is there anything else you would like to say or add?

Researcher's notes

Aim to receive answers to these questions throughout the conversation through introducing the themes above and prompting certain questions.

Demographics

- Age, gender, longitude of relationship with Wärtsilä, role within the company
- Knowledge of someone who has been affected by the downsizing

Overall view of Downsizing

- View of the downsizing? Positive/Negative.
- Has downsizing has benefitted the organization/employees
- Has the downsizing processes been 'fair'

Emotional Effect of Downsizing, Survival Syndrome?

- How has the downsizing affect the individual, i.e. workload
- Downsizing general effects on workers
- Increased stress? Uncertainty, i.e. in regard to future at company,

Perception of Wärtsilä

- Has it been positively/negatively affected by the downsizing

Communication

- The organisation informed the employees about the downsizing at an appropriate time
- It was well-communicated to those affected
- The process was done fairly
- The company addressed uncertainty well
- It was easy to get the information wanted
- There was ongoing and consistent communication throughout the downsizing

Appendix 4 – Interview 1

Interviewer ('I')

Participant 1 ('P1')

I: Ok, can you tell me about your background, education and previous job experience?

P1: Yes, I have been in Wärtsilä for 10 ears, [redacted]

I: Perfect. What is your role at Wärtsilä right now?

P1: [redacted]

I; Assuming I have no knowledge of the downsizing that has happened at Wärtsilä, permitteringer, nedbemmaning, what can you tell me about the downsizing?

P1; Last year we noticed that we had to downsize, several meetings, yes, meetings for all together. So we knew that some of us had to leave, but we didn't know then who it would be, so it was yes, a time we didn't know anything actually. So it was special, special conditions. But we were informed last year

I: Did they tell you how many would be downsized?

P1: Yes, they said Grunnavaagen, almost everyone. They were about 150 employees. And about 95 had to go. Because they would quit the production. So now it is just service again. And here at Heiane we were about… not sure. But I think it was about 60 persons who had to leave.

I: So, what, how has this downsizing of the 60 people here at Heiane, how has it affected you?

P1: First, we were a big group, who had to go to this meeting, because we, because the downsizing of our department. In my department, I was in sale at that time. Almost 50 percent. So, some of us got the message we had to leave, at the end of the year, and some of us were at hold to look at others job we could change. So I was in that group, who got a new job.

I: Do you think this downsizing has benefitted the employees, do you think it has been a positive or negative experience?
P1: There have been plenty of negatives, of course. It is not a good situation to… when someone has to leave. And because of, yeah, their family situations. And economy. Yes, it has been many negative situation. So that's not fun of course.

I: Do you think the downsizing has been good for the organisation? Do you think the downsizing has benefitted the organisation?
P1: I am, not sure, but I know they had to downsize because of this jobs that not came in. So there is. They are not allowed to continue with so many employees. So that is the situation. And because of the production they quit in Grunnavgaagen. They had to.

I: So how has the downsizing affected your workload? Do you have the same amount of work?
P1: I have changed department, now I am more busy than earlier. Because my department has a good workload, lucky us.

I: So, you think the workload now is okay, you think it has been a good change?
P1: I think we will get maybe overload. Yes, a bit overload because some in this department has also left. We will see.

I: So what do you think about the communication that has been from the management since or during the downsizing? How have they communicated the changes that are going to happen?
P1: They had several meetings and informed us well. Yes. I think it was good handled.

I: So do you think that the organisation informed you at the right time? Not too early or too late*?*
P1: I don't know. But I think it was good enough. I think when they knew they told us. Yes. So, it's good.

I: So, do you think the organisation did a good job when telling those who had to leave? Did they tell them in a good way?
P1: We had this this special meetings that they are required to have. I don't remember the name of it. But, that part I am not sure of because I was first at the meeting where they told me we cannot see that we have a new job to you. But that was at an early stage so I did not panic. After a couple of weeks, maybe just within two weeks, I got a new message that we

think we have a new job for you if you think that you are interested. So for my part it was maybe easy. Someone would say. But I know there are many people who are not satisfied, of course.

I: Do you think it was easy for you if you had any questions, or was it easy for you to contact the management if you had any questions?
P1: Yes. That was not a problem.

I: Do you think there has been ongoing communication and they have constantly kept you informed about what has been going on?
P1: Yes I think in these meetings that I told you about.

I: In terms of the ones who you said had to leave, do you think there is anything that management could have done differently? To potentially handle it better?
P1: I am not sure. Because, I don't have this experience myself. So it would be better to ask one of them, if you could reach them.

I: Yeah, but from your perspective it has seemed like a fair process?
P1: Yes, I think so.

I: Would you say that you have noticed a different in the environment because of the downsizing? Do you think that people are more stressed, or they feel more uncertain about their jobs lately?
P1: No, I don't, I not noticed any of that

I: So it is like normal really?
P1: Yes, it is normal. We work like normal.

I: That's really all the questions I have got. Is there anything else you would like to add about this downsizing process, how do you think about the future? Do you feel safe at this job?
P1: We can never be safe, in Norway, in this situation. Its whether uncertain for plenty of people. I saw at television last night that about 20 000 persons in the industry, oil and gas, maybe will lose their jobs this year. They are not so very optimistic.

I: I think that is it, thank you very much.

Translated from Norwegian:

*I:*Then I don't have any more questions, I think that went very well, as I mentioned before we started the interview; are there any thing additionally that you would like to say in Norwegian, in regard to the downsizing?
P1: No, I don't know. There is most definitely people who have had a bad experience, guaranteed, who feel that they haven't, because. You know the process here has been that like me who lost my job, they then said we will see if we have anything else, that means, they've challenged someone else's position. I had been in what they call PCS for 8 years, and then 2 years in Sales, and then when they were downsizing the Sales department I had the experience from previously at PCS. And then there were people in PCSS who did not have my experience or my education. So, I was lucky who went to the technical school, which was a pioneer project that they had here. So personally I think that is what affected the outcome. I had the relevant competencies, relevant education. There were several. There was a time here when they hired everyone they could get, because back then the labour market was so tight, they took on a few underqualified, quite a few. And then they are left without the relevant competencies and education, and therefore a few of those had to go. But it was not just one person within this department who left, it was several. So, yeah. It was a bit of an uncomfortable situation. You get a job and you know that is someone who has to leave for good. But that is just how it is. And that is what it is like for other businesses as well, because those are the rules they have to play by. If not they couldn't have done it that way. There are quite a few who have changed department. But there is nothing the organisation could have done with it. They were trying to be left with those with most competences. So now the workload is more on those who are left, and it is very interesting to see how things progress.

I: But, all over, would you say that there is still a good atmosphere within the office?
P1: Yeah, well we have been kind of on the side line, because my department has a lot of work. Service has a lot of work, but those in Sales are facing much more pressure. So, it is well yeah. It all comes down to the fact that not many wants to build boats in this situation that Norway and the rest of the world is in right now. Right? So they try… Of course they (Wärtsilä) do not only operate within the oil, but also with fishing boats. So there is hope. And ferries, that is something that is very up and coming. And new solutions, new technical solutions. But yeah, it is hard.

Appendix 5 – Interview 2

Interviewer (I)

Participant 2 (P2)

I: So if you can tell me a little bit about your background, your education and previous work experience?

P2: [redacted]

I: So how long have you worked at Wärtsilä?

P2: Just over three years, yeah.

I: So what is your role at Wärtsilä, what do you do?

P2: I am senior design engineer I work for design of marine gear boxes. Department is propulsion technology.

I: In terms of the downsizing, if you assume I have no knowledge of it, what can you tell me about the downsizing that has happened at Wärtsilä?

P2: Yeah, I mean, this has been decided by the management, and I don't know the background much of it but when I got the call for consultation, a kind of interview, that I had been considered during this process. Then I just participated in that, and then they shared the background that because of some market situation, they shared some numbers approximately. And these numbers they want to take off from particular departments, they wanted to decide who all these people are, and they just called me to present my credentials and why I can be in my position. Even the things going forward and there has to be some people that has to leave the job.

I: So how do you think this downsizing has been, has it been beneficial for the organisation?

P2: This is based on the structure, I mean how Wärtsilä is placed I mean for this department. And this kind of 'if downsizing will work out' this is in the benefit of the organisation. Because

the core structure is need to be redefined. And they were restructuring departments actually. It was like the restructuring of departments needs to lead to some redundancies.

I: Do you think the downsizing... how do you think it has affected the employees?
P2: I don't think I understand the question.
I: How do you think the downsizing has affected the employees at Wärtsilä?
P2: Yeah I mean when this consultation was happening during this consultation most of those people have been considered on most criteria's, and there are couple of points, major points, on seniority. And education, and what kind of, you know, what kind of job you have done in last years. I mean since you have been employee at Wärtsilä. So based on that they have considered who are those candidates. They can be considered for redundancies. And it is not exact numbers they have called. Say if for example x number of employees have to be remove and then they can maybe say multiplied by three and to understand the situation.

I: So how have the downsizing affected you personally would you say?
P2: When I have been considered, it is like for me. To me it was a surprise because of the kind of job I have done, and kind of rating I had in the organisation was appreciated by the management, and I had been considered for redundancies, and it was a surprise. But then I realised that this is the process I have to go through, and I have to put forward my credentials, I have done in the last three years, how I have contributed to the growth of particular business area which helps Wärtsilä in global. So these are things I just take forward and show to them, and then there was a result.

I: So how has it affected your workload, that there has been made all of these redundancies and restructuring?
P2: Actually when restructuring was done there were new position. But the position I was working on was there. And if even I could be saved, my job, I was still working in the same position within the same department. So as for what the workload is concerned it didn't change much. But of course somebody has to go, so then someone has to take that extra responsibility of work. And that I am doing now. Because since I have saved my job, now because there are some redundancies happening, now I have taken on a little bit more responsibility and those extra project work that I am contributing in that area. So yes you could say that I am doing the same work, but a little bit more responsibility than before because that you have to take an extra load.

I: So have you noticed a difference in the office after the downsizing has begun? Has there been more stress, or more uncertainty?

P2: Not as such, because you know these things they worked out after a lot of discussion and a lot of research within the organisation. So it has not come just like within months' time, they have decided something and it has been executed. So this execution started for example one and a half years ago, then this restructuring of the organisations has happened. So everything went systematically, and then the numbers came forward, maybe after research how it should be done within the organisation and then the consultation started, then the unions came into the picture. And then the unions involved in the meetings for maybe three to four months and then everything according to the plan has went. So in short, I would say this has been happening over the period of two years. So there is nothing suddenly happening after that,

I: What do you think about the communication from the management, throughout the two years then maybe, of the downsizing?
P2: Management as far as the immediate manager is concerned, he was not involved in the discussion. You because of the kind of the process, and policies of the organisation. But the higher management. Has established teams, to execute these redundancies. And these teams are out of our business area. You know, out of this department. SO that things are fairly and neutrally done. SO they have been taking feedback from managers of course, but managers are not involved directly to decide what could be the result. It would be the team only who has been given that job. And that consist of HR and higher management.

I: Do you think it has been well communicated to those who were employed. Do you think they got a fair message?
P2: Yes everyone. Because this has been happening. It has been not only one interview, but series of meetings and before that it was the union. So everyone has a right to take his union representative with him for the interview. So that he can present you as a member of union. And everyone has been given a fair chance. And there is a policy that if you feel that you have not been treated fairly that you can challenge in court maybe. But before that within the organisation also, so that has been taken care of so that it has been done for everyone. And then you have also been given opportunity that once you have been considered for this (consultation) that if you think that there is someone who is less senior for you, and you think that is someone you can choose, then you can challenge them. But not at random, because there are millions of thousand employees at Wärtsilä. So then you can challenge the person, the list is provide by management. Management can provide a list of potential candidates, okay these are the kind of candidates that you can look for. Openly you can say; 'yes, I fit in this position'. And then they will assess your profile. And then they will assess if what you say is really sensible. And if it is sensible then they will call the consult person (the person

chosen by you) in for consultation. And it is like for you, and also the consultation will start fresh. And my case is like that I guess, I am not a hundred percent sure, but, I feel, that I was not initially, like I said initially that I was surprised, I was not initially in consideration. But somebody might have thought, that is might be the candidate that I can look for. And then I came in to consultation. But once I came in the consultation that the management thought were okay, 'you were sensible' to say that this guy can come. And if I come in and chose from the list, then that complete process starts for me like the previous person. And his process is on the way, it does not mean that he has been saved, but he had just targeted somebody and then because I had been targeted, I had to appear, and I had to present the same way as the other guy. Then I had to the sequins of the meetings. And then again I will be given the list of which I can target. SO you can imagine then, that it doesn't go then like one day or two day job, six months or seven months it goes on.

I: What do think of that process? DO you think that it is fair?
P2: Yes, it is very professional. It is time consuming and you lose your patience in the process because you want to know what happens with you. And when you are sure that you have done a good job and still you are going through this pain, then this pain should not go one for four months to five months. But of course, I mean, this depends on how, and how many numbers are there. SO yes it is a long process, and it is painful in some ways.

I: Do you think that it creates a bit more competition within the office? That you have this opportunity?
P2: Not as such, because competition cannot be based on a one or two day basis, because you can feel and you cannot generate yourself as an excellent person on a two day or something. It is what you spent around 10 years and how you progressed in your organisation and how you have progressed. And that matters. And I don't see how downsizing can affect the skill set or a person's behaviour or something like that. The person is the same and he is going to present himself.

I: How do you think this affects the relationship between colleagues? The fact that you can appoint someone else?
P2: Yeah. It could be. Because sometimes it happens that you are friends. And then suddenly you are stopped talking. And then you realise that one person has to go and of course you need to understand his emotions and you have to keep control of your emotions and try to deal with the situation. And still you want to be friends with him and try to keep moving forward and keep in touch for lifetime. And sometimes maybe the situation is that you are very close friends with him and you are the best friend within the organisation and

the competition between you both. And then you realise. I mean, I cannot tell you the details but I can just say that, and then you realise and then he realises how it has all happened, and then you can analyse and you can compare and you can do the things. But I mean of course it is tough, that's why I said; painful. And it is not one or two months, I mean, four months, and listen even though there is no decision you are still working together and coming the decision; the guy would be there for a three month notice period. So you have to spend around seven months sitting across each other. And still talking, and sharing, lunches and you know coffee and everything. And talking about something else but what is happening. SO these are the things that are happening to everybody. You cannot ask how your how have your meeting gone. So these are the things as you can understand.

I: When people then get told that they have to leave, and the management talk to them, do you think they could have done it in a better way?
P2: No, because what I have seen is that it was done very nicely, management got the final result ready and then they shared it to one group because they did not want any speculation. So when management sent, they sent an email in one group, to everybody so that everybody knows. And whoever doesn't get any notice, so that he can think he is safe. But how he is going to know that? That notice has been sent to other person? So that is one thing that I felt was not informed to me. And this has been informed to the employees. But still I did not know this. And then around ten days after that, and you can imagine after that still those 10 days are painful you know, you know that. An actually, the process has been, it has been done and dusted. You know somebody has to go. The people involved, maybe 23 people involved. Nobody knows that it has started. So they should be told also. I mean this is for your inputs I mean, not for Wärtsilä reports, right? I have been insured. But for your research, and when you are in the position of something like that. So something to keep in mind, the other guys should not be forgotten about, because they are sitting there with wives and children. And over the time they are feeling this pain, so; let them know. If nothing is going to change then you must share that with them.

I: That's a really good point, yeah, absolutely. So do you feel like you have known who to contact if you have had any questions? Do you
P2: Yeah it has been like that sometimes, but it is my union only. And it is good to be a part of a union. And that point maybe also you can insist (inform?) your members before downsizing happens. You insist as HR to employees that it is good to be part of a union, it is voluntary I mean, you decide whether you want to be a part of it or not. But it is good, because when you have somebody with you, you know, moral support during the meetings. And HR also feels comfortable with the current situation going on. For example; I am sitting

in front of you and you are questioning me about downsizing and you are taking my interview. But you feel I am missing my union represent. And other guy comes in front of you and sits with representation. So it is good to be having everybody be a part of a union. So that point also. Just to share with the HR department.

I: So how do you feel the HR has been in this process?
P2: They were fair when they were conducting these meetings very fair and consistently. And they are giving you time to think and prepare, so that everything is well prepared.

I: How have you found the time, I suppose you are still going through downsizing in a way, have you felt that the organisation has supported those of you who are left?
P2: yes, they have been given… I don't know how it has been done with them (those who had to leave), but from what I have seen they have been treated nicely. So maybe anything negotiation has happened. I do not know. I cannot ask. But hopefully they have been assisted maybe in how to look for a next job. Help them through at least recommending them for a new position. And maybe they can find a new position and recommend them for that position. And sometimes you can find a position yourself. And you can ask them for a reference, so in that sense the immediate managers and HR department can recommend you to another department. We know this guy is good, he lost his job but that does not mean he is weak. That is very important. It does not mean that he is weak. It is equally important. A department is going through a restructuring and because of that this person has to go. It is not because he is weak, or his skillset is not good or he can not contribute to the process. In first place he is there, that means that he is capable of doing his job. SO HR and different departments within the organisation must know that.

I: Do you feel that there is anything for those of you who have not lose your job, those of you who are still here, do you feel like there is been any additional support for you? Or has it been like normal for you?
P2: It has been completely normal. I mean it has not changed. I mean, once the process is done no one is talking about this. There is no more meetings, no consultation, like I said no email. So you can Imagine, it has been like before. But, it is very obvious that even confidential matters, matters of confidentiality when calling these meetings. But other people knows, somehow. These are the guys considered. In practical they must not know who is there, that is a confidential matter, but somehow you cannot hide that, you know. When the meetings is going around and you know that. So that would really, you feel kind of, I would not say embarrassment, but it's kind of, you feel like among them you are one of those who have been considered and you are working with those who have not been considered. So

that… It didn't affect me, but I don't know how others felt. For me it is the same as it was before.

I: So do you think there is something management should do, you said maybe keep you informed, you think they should still inform you if there is anything you should know about?
P2: Not as such. They were just sharing about the process. The process is all about downsizing and somebody needs to be finalised. SO once it is done I don't think it should be informed about anything else.

I: Do you think the best practice is to leave it, leave it as normal, or would you like to have more information or?
P2: Well what more information can you get? You know you have been through the process, so you have been considered for this downsizing. And then you presented your skills and your progress and what you can do for this organisation and once it has been done the organisation take control based on that. So what works mostly in these kinds of situation I suppose your work is also important, your past is also important, your attitude is also important, everything is important. SO to be, to get yourself saved you need to be really complete. I mean, sometimes it can happen that you are a very vulnerable person, you talk too much, you insult others or you may be like, people don't feel comfortable talking to you. This can also cause damage. As an employee, one must know, like I already said to you, it is not one or two day task. It's been seen by the people over a period of time, so you are here for three years' time so everybody knows you and what kind of person you are.

I: How do you think, has your reputation of Wärtsilä changed? Whether you would recommend Wärtsilä to others, has that changed? Because of the downsizing?
P2: Not as such, because Wärtsilä is very challenging organisation, and what I have seen is that Wärtsilä is a very strong organisation. So, but. Maybe the business areas, now because of the oil prices, there is not much of employment happening. As and when there is a good position I would definitely recommend Wärtsilä as a good employer to be.

I: Do you feel like your future is safe at Wärtsilä? Do you see yourself working here in 5, 10 years' time?
P2: Yeah, I see that because I know what I have done and I have contributed and I can do for the organisation based on that I feel confident and see a bright future and there is no doubt in my mind.

I: How do you feel perhaps the fact that, obviously with the oil price it is very unsure market, unstable market situation with the oil? Do you think that affects that you would have felt maybe safer in a different organisation than Wärtsilä? Say, maybe working somewhere different like the public sector. Do you feel more unsure because Wärtsilä is in an uncertain market, if you understand my question?
P2: Yeah of course, but you know there are always challenges. But what you can do is what in the moment I have got in front of me. But as a response to your question, there is a challenge in front of me, and with this question I have to think it is about how good quality work and output you can produce, and how efficient you can make your organisation in this competitive market. So that is what I bother about. And not about how the situation is, because the situation you cannot change. Because you are the responsible person to change external parameters. Affecting the organisation. But what you can do internally is to change the organisation and make the organisation compatible to those parameters that are affecting your organisation. So in that way I think that I have to be honest in my job and there is one thing that they say about quality; do your job nice when nobody is watching. So that is what is important. And that is what I must do at this moment, that's what I feel.

I: Well I think that is my final question then, is there anything you would like to add, any additional thoughts on the downsizing that I have not asked you about?
P2: No I don't think there is anything you haven't covered.

Appendix 6 – Interview 3

Interviewer (I)

Participant 3 (P3)

I: Tell me about your background, your education and your previous work experience

P3 [redacted]

I: When did you start working at Wärtsilä?

P3: 2002.

I: What is your role/ position at Wärtsilä?

P3: [redacted]

I: Have you had a change to your role as a result of the restructure or has it stayed the same?

P3: It has stayed the same

I: Assuming I have no knowledge about the downsizing that has happened, what can you tell me about the restructuring and changes?

P3: First off, all of us saw it coming, due to the market (situation). But of course, when they decided to inform us about it, in an information meeting, of course it was a bit of a shock. Because we knew it would come, but you always hope things will be okay. And the amount of employees that they were firing were much more people than we had imagined.

I: How would you say that when they informed you about the downsizing, how did they communicate that to you? How did you find that?

P3: First they communicated it through this information meeting, but then there was a conference meeting with almost everyone, called a 15 1 meeting. Where they tell you about if they want you to continue or if they don't see you as a part of the new organisation. SO that was my first message from my manager.

I: So that was an individual meeting?
P3: Yes, an individual meeting with my manager and an HR person.

I: So how did you find their communication through the process, as it started to happen?
P3: It was not any good communication. It was very much internal meetings between the management team but they didn't tell us so much about what was going on. It was very, kind of, for me it was a little bit of a negative situation because we didn't know what was going to happen.

I: How do did you find, the management team during the downsizing, did you feel like you could come to them if you had any questions?
P3: You could ask them, but they couldn't give you any answers. Because they always answered that 'I cannot tell you because this is decided by the management team in Finland'.

I: Did you feel that your manager here, locally, did the best that they could?
P3: Yes, absolutely.

I: For the people who had to leave, do you think that the management could have done anything to handle it better?
P3: Some of them. Because it was very split. Some management treated them very well and open minded, but some weren't as good, not as professional. It was just more or less; you have to leave. And that was it. Of course many of them were in shock, because they had been here maybe 25-30 years and to see that the younger employees were able to stay but not them. So it was not the easiest situation.

I: How would say that it has affect you personally, this downsizing that has happened?
P3: I was very scared for losing my position, but I also needed to take a grip on my position, and show them that if you keep me I will work hard and yeah.

I: Have the downsizing affected your workload?
P3: Not yet. And that is because of the market. The market is very low now, so we don't have very much work. But we will. When the market is turning and go up we will see that our workload will be much, much higher.

I: So would you say that the downsizing has affect your office?

P3: I think it is okay. When time goes on we will see that it was necessary to reduce. But of course, from August until September there was a lot of talking, rumours, negative talking about the management. And that affected our workload also. But now I think that when things are settled and we know more, and the new organisation is settled, I guess that we will see that we are now… better equipped for the market. Because I see that the people they have chosen to the new organisation is very competitive for the market. So they have selected… I guess they have used a lot of time just to find the people.

I: So how do you think in the long run the downsizing will affect the organisation? Positively?
P3: Yes.

I: How do you think that the process was? Was it fair from the management?
P3: Yes. In 90% of the cases. It was fair. But of course, someone was not treated as they should be, and I suppose that will always happen.

I: How did you feel the management communicated why people had to leave or why they got to stay with the company, do you think they made it clear?
P3: No, not exactly.

I: How could the management have handled the downsizing better?
P3: They could be more open minded. Tell us more. About the process, and also why they have taken the decisions. It was more, it was a closed area.

I: Do you feel like the downsizing has affected how you feel about Wärtsilä as an employer?
P3: No, not at all.

I: Would you still recommend Wärtsilä as an employer?
P3: Yes, absolutely.

I: Do you feel secure in your job now?
P3: Yes I do, but also we are so related to the market. So if the market goes down even more then nobody is secure. But for this time I feel that I am secured.

I: Do you feel there is especially aware because of the market, do you follow the news closely?
P3: Yes.

I: Is that something you think about?
P3: Yes I read a lot of news regarding the oil price, the owners, how many vessels they have to put out of the market. And of course that is, we live on the owners. SO when they take these vessels out of the markets it will affect us.

I: How have you found HR in all of these processes? Have you felt like HR is someone you could talk to?
P3: Yes. We have a lot of people we can talk to. I haven't used the manager or HR but when you are working on this large organisation then you always have someone you are more connected to than others so I have talked a lot to some of the people who were fired. But that was some of my closest colleagues, and it was natural for me to talk to them and they also used me as… a support. So there has been a lot of new connections, because we are in the same situation.

I: That is my final questions, are there anything you would like to add?
P3: No, not that I can think of.

Additional comments translated from Norwegian;
P3: I hope I didn't sound too negative, but when you are in that situation that we have been in, you automatically become a little bit negative. But it haven't got anything to do with the company itself, or the motivation to work here, but it is just that what we go through becomes so intense. And the constant; 'who has to go, who get to stay?' It is constantly on your mind. But now I feel, after new-year, that the new organisation is starting to settle. On paper at least. We know now who is staying and who is going. Now we can focus on working and trying to get new contracts. It is our way of showing the management that they have made the right decisions, and it feels like there is a bit of responsibility on us, I feel anyway, that we are not just here to… Yeah. I think it will work out.

I: Do you feel like you have an overview of the vision of the new organisation?
P3: Not completely yet. They haven't really presented us with anything yet, because until now they have worked towards 1st January, which is when we would start over again. And we are owned from Finland, so we have a vice-president sat in Finland so it is he who communicates these big things. SO I am assuming that the next time he comes over there will be a new strategy plan, in regard to how they see us (Referring to the company based at Fitjar) and how they see us in the future. So that part is still missing, we haven't heard anything about it yet.

I: But then, as you mention briefly, people feel motivated to show their best?
P3: Yes, and I notice that in the department where I work, it is very much an atmosphere in which we feel that we have to perform now and people are eager to start new tasks and approach new challenges. There is an eagerness to do a good job. So there is not at all the case that people are tired and unmotivated, we keep fighting and do our very best.

I: Do you feel like it has affect the team commitment within the office?
P3: Yes, absolutely. And I think that people are aware that we are actually, in today's situation, we are very lucky to have stayed. And that does something to you. It makes you realise that not everything is for granted. It makes you look at things from a new perspective.

I: Do you still feel secure in your job? Say in 5-10 years' time from now?
P3: Yes. Assuming the market turn again. I believe Wärtsilä still aims at having the ship design part of their company, they have always said that they are going to keep this department. Of course, currently we are a big loss for them, but they always talk about how the market will change; the market will change. And then, when that happens, I think that we will be back at full capacity. I think this is a time where we should focus on developing our selves, so that we are better prepared for the future. That will be a smart thing to do right now. So I think there are no such attitudes that 'no, it is time to just shut down', that's not the case at all. We keep working because now the market has to turn again soon, things have to happen. That is the attitude I feel most of us have.

I: My impression is that there is an optimism there, even though it is a difficult situation
P3: Yes, and when we found out they were firing as many as they had decided to it was of course a feeling that 'oh no, they might as well shut down the entire organisation then'. But things work out over time and you change your perception.

Appendix 7 – Interview 4

Interviewer (I)

Participant 4 (P4)

I: So first if you could tell me about your background, so your education and previous work experience?

P4: [redacted]

I: So what year did you start here?

P4: In the summer of 2012.

I: So what is your role now?

P4: [redacted]

I: So assuming I have no knowledge of the downsizing, what can you tell me about what has been happening at Wärtsilä? With downsizing and changes.

P4: Well I think that this is, this is my personal view of course, I have no clues what the decision is at the very top of Wärtsilä management was. But in my opinion they are forecasting the development of the market, in the next coming months and years, they have to take decisions, those are decisions that will warranty that the business as such can continue and of course in a way that they are able to offer to the investors, what they promised to give them. So they have, as a company, they have

targets. But those targets are also linked to what the investors are expecting from them. So in, I think that, I cannot remember when it was but I think it was in the beginning of 2015 they announced that globally Wärtsilä is going to fire 600 employees, all over the world. And of course it has to be recognised that our business line, which is the ship design, it has not been very successful in 2015. So it was few candidates, let's say, for being part of this restructuring process. Which end up in to cutting jobs of course. So I think that this part of today's let's say big corporation decisions, that they all the different business lines they have to be profitable by themselves. Doesn't matter if you are part of a big group, if you are not a successful business line, even if you are a small one then you are not allowed to continue as a separate business line so they have to do something else. Which was cutting down in the beginning some, cutting down some costs here and there but end up in to cutting jobs. As the only measure to, that they foresee that lets say, will give us some future in this business.

I: How would you say that the downsizing has affected you personally?
P4: Well, quite a lot, frankly speaking. [redacted] And the consequence is that you are scared about your future, and you are seeing how your colleagues are called to be out of the company and that thing. So very scary, frankly speaking.

I: Naturally, yeah.
P4: Yeah, so I mean of course it is a process that, it is not very transparent, or this was my feeling, so you are not... You basically cannot anticipate whether you are going to be part of the people who has to live, with the company or not. Which of course put you in a more stressful situation during all the process.

I: So you said that you changed job...
P4: I changed position, yes.

I: How did that change for you, did you change office as well?
P4: Yes, I was sat over on the other end of the office, and then moved over here. Which I think is less important, it is not about where you physically are. It is more about what you are doing. Of course I have been doing sales the last 15 years so moving out of sales was not... And this decision...

I: So was that your decision?
P4: No, it was not, the thing is at the end there is an offer from the company and you have to either take it or decline, and the consequence of declining it was in my case much worse than to take it. So I decided to take it. And this was no obligation from the company at all, it is a personal decision at the end.

I: Now that you have a new job, do you feel like the downsizing has also affected your workload? So, how much work you have got?
P4: No, I don't think so, not so far. Because I think that this, I mean if you think in the time line of this… cutting jobs and everything. All our colleagues that left the company, left after Christmas, the last ones… So I think that we are still not running in the mode we are supposed to run with the new, let's say, structure, in place. So I think that it will take a time for all of us to understand much better how the company will run the business with the new structure.

I: So how do you feel about the way the management did the whole communication and information about the restructuring?
P4: If it is me, I would have done it in a different manner. But maybe, maybe, because I don't know what are the legal requirements are here in Norway about these communication process, about who should be informed first, I mean if it is about the unions and you have to prepare a plan, and you have to inform the unions and you have to inform individually and you have to call for meetings, this 15-1 meetings with the people, and then you can not disclose much. I don't know if this 15-1 is part of the company strategy or if it is part of a legal process here in Norway. But I don't like it. No. So I think the process was not very transparent. I have never, I never got the whole picture, about the restructuring process, so it was just me asking the others; 'do you know who is going to go, I don't know, and yes, I got three names'. And then you have to build up your own picture of what is happening and how the process is going. Asking here and there, but I think that this is… Again I cannot blame the company for that because I don't know how much of this is because the company wants to it in such a manner or if it is because they are required by the law.

I: So do you think that the company addressed uncertainty well? So had if you had any questions did you feel like you had somewhere to go?
P4: Yes, this was for sure. I think that this company is one, and the strategy of the company follows too, this one thing. And another thing is that the people who were in charge of communicating this they were absolutely available, every single minute of the day to give the kind of information you

needed. Explanations related with the process, but not the very detailed explanations, because if you cannot do it, if you cannot announce, if the manager of this company cannot announce to all of us what is going on for whatever reason they will not do it one by one. It has the same, say, limitation, say if it is a legal thing. But of course if you have whatever doubt, or you are feeling bad and you need to talk to somebody then I think that the management in that particular sense played an important role. They were available all the time.

I: So did you feel that the when the management did the downsizing they did the process fairly? So the people that had to go and were chosen was done fairly
P4: I don't know. Because; again, what was the criteria that was followed? To keep me in, and my colleague out? I don't know. I don't know. I think that they called us, all of us, or at least a big portion of us to this 15-1 meeting. They announced us then in this 15-1 meeting that this is just the first meeting, and then more meetings will come and more information. But this never comes again. And suddenly you start seeing people going out. So why, my colleague? Yes, and I am still in? I don't know. Of course, if you ask me yes, because I think that I have a value for this company and my experience and my background, everything counts. Yeah but it was also, they were senior people and nice people and clever people that has been fired and they don't say why. Because there were not like a list of things that you must consider. Maybe they have, but again it was not transparent.

I: Do you feel like people had a chance to say their worth before they had to leave?
P4: Yes, I think so. This is also part of maybe a process that you can say no. Or even you can challenge others. I think yes, that they did have… Of course, it is also a tricky situation in my view because I don't know about this… I am new with this system. But my view is a little bit tricky because if your company invite you to go and you don't want to go, the situation for the future is really not nice. I mean because the trust of what you are doing and what the company expect from you is completely destroyed. I mean the company was of the view that you are not the guy to continue in the company. So, and then you are making a strong opposition to avoid that and, but then I think that you are delaying the moment that you are out of the company, but you are delaying something that that will happen sooner or later.

I: How would you say that this downsizing has affected your opinion of Wärtsilä? Would you say that it has improved or gotten worse?
P4: I don't know if it is… I think that cutting jobs is not nice and I think they are not doing this because they have pleasure in doing it, it is because of the circumstances. And everybody knows that we were not performing as expected. It is not like you are earning money like hell and all of a sudden

they sit down and say let's do this with half the people that we have. No, it was not the case. The case was that we were not performing at all and of course our results, economic results were a complete disaster and they postponed. I think that they postponed quiet a lot, they postponed the moment of deciding to cut jobs. Sorry about the… I missed a little bit maybe of your question.

I: No that is fine. So then, do you still feel like Wärtsilä is a good company to work for?
P4: And then I was coming from my previous experience, I was in a small, relatively, not very small but not like Wärtsilä company and I think that in Wärtsilä in the same way as when you are employee of the company you have a very nice things being employed by Wärtsilä and all, but they do not hesitate to take decisions like this. And the process is very tough as it is a small company (Referring to Wärtsilä Ship Design). So I think being part of a big company doesn't help the moment when you are fired off. You are fired off and you suffer the consequences and it does not help that you are in a small company or a big company at all. So I think that it is a good company to be a part of it, and this is nice, but when they have to take this kind of decision it is like any other company, because of the decision itself. It is tough.

I: Would you still recommend Wärtsilä as an employer?
P4: Yes, I think so. I think that there are many positive things, absolutely. Of course it is also, I think that there has to be this, the role of Wärtsilä, not Wärtsilä Ship Design but Wärtsilä Corporation as such, in that process, in other circumstances it could be much better, because of how they have… They are obliged to cut 600 positions worldwide. So normally if this, let's say restructuring process is effecting only this business line and then they are affecting me and they try to find another position within the company. That could be of your interest and of the interest of the company. So they try to propose you alternatives. But at the time of the year it has been that they are firing people all around the world, so it is not possible to relocate me. If I am affected they are not able to give me another position within the company because they are restructuring the whole company. You understand what I mean? So I think in all circumstances, being part of a big company is very helpful in that sense that they can say that; okay, here in Norway we are closing down this business, but there is another position in Shanghai, which require your background and your knowledge if you are interested. And they help you to continue if you are a person who have value to the company. But here, even if you are a person with value for the company, they were not able to offer alternatives, due to the situation, the global situation.

I: How would do you say that it (the downsizing) has affect the work environment here, how do you think people have felt in the office here?

P4: During the whole process? I think it has been quite bad. Because the same, lack of transparency, not too much communication over the whole project, you were always afraid of asking very much because you never know what would be the proposal of asking other people about the round situation. Things like that. So mostly that.

I: I think that is all of the questions I have got. Is there anything more you would like to add, about the downsizing? Anything that you can think of?
P4: No not really, I think that I have explained. I think a lot of what happened, and I hope that this restructuring will give us the possibility to improve our performance, and then let's say that our top guys in Finland they can, not, stop, putting so too much attention to our business.

[redacted]

I: Do you feel secure in your job, in regard to the future?
P4: No. But I think that in my opinion, maybe I am wrong, but I think that it is, I think that it will be a trend in the coming years, yes. I think that nobody will be able to say that 'I'm fully secure in my job position', because the global, I mean the world is so connected in all aspects, who knows what will be the next? It was this super economical and financial crisis a few years ago and now it is the oil, and what will happen? In a couple of years maybe the oil is back again to normal prises but then there is another crisis so I don't know. Something happened in Asia with this Syria and Russia and the world. And … everything is connected. I think that is difficult to say that, you can be in a place and you can say that 'yes, I can just rest for the rest of my life because I will continue here whatever happens'. And no, that won't be the case anymore. The business will be going up and down, and it will suffer. There will be good moments and bad moments, and they will still make decisions on whether to continue activities or close it down and in all these process of course the people will be the ones who suffer. All this they are calling this detalization in your language is coming, more automatic processes and the information and this. And again, how this will affect us? There are a lot of jobs that will be lost in the next couple of years because of this process. You can say that before, so yeah it is like when you were travelling long time ago you went to the airport, and first you would have to go to a travel agency and you would get your ticket there and you would go to the airport and you would have a lady, or a guy it does not matter, who would take care of your luggage and

your ticket. And now you book your ticket at home on the internet, so the travel agency is not needed, or at least not the classical travel agency with real people there, and then when you go to the airport you have to check in yourself and take care of your luggage, and this requires less people again. And I think that we will see this more and more.

I: One last question, how have you found HR in this process?
P4: Missing. Missing. They come in for the one 15-1 meeting and nothing else.

I: Did you feel like you could contact HR if you wanted to?
P4: Yeah, I think so. I think that they will not say no, but I think that they were missing. Still I think that from HR point of view this process is open. Because we had to have new contracts and everything, but this is still not… So where are they? We are doing other things but still it is the same. Officially the position has not changed. In reality we are doing other things. So missing. But I don't know, because I think also that it was very bad luck because the restructuring here at Fitjar, restructuring at Heiane, restructuring. But missing, yes. If I have to use only one word.

Appendix 8 – Interview 5

Interviewer (I)
Participant 5 (P5)

I: So if you can start by telling me about your background, so your education and previous work experience?
P5: My background is from NTNU (Norwegian University of Science and Technology) it is Master of Science in Marine Engineering. All my work experience is from here. Since 2012. Started fulltime 2014.

I: So what's your current position at Wärtsilä?
P5: My current position is naval architect. My role is, I guess you could define it as sales support.

I: So assuming I have no knowledge about the downsizing that has happened at Wärtsilä, what can you tell me about that since you started?
P5: Assuming you have no knowledge?
I: Yes, if you could tell me about it.
P5: Well, we had a really rough part of the last part of 2014, revenue vice, so it would be, I think it was the end of 2014, the beginning of 2015, we got some information about temporary layoffs. And I have been a union rep for the entire time. So that has been interesting. Yeah, so we had the temporary layoffs which quickly escalated in to permanent layoffs. Summer of 2015. And made effective late 2015. Which resulted in 40 layoffs, out of 85, something like that. I am unsure about the numbers.

I: So how would you say this downsizing has affected you personally?
P5: Well, long story. Well, being a union rep for a couple of months before this started that was kind of heavy. Because we were informed I think maybe 2 months before the rest. That is challenging. In this work environment where we talk a lot and discuss everything. So keeping it a secret, or keeping it confidential… And also in the mean time I was really… I was new. So I was pretty sure I was affected myself, both for temporary and permanent layoffs. So it was challenging both at work and off work.

I: Being a union rep, how did you find that? How did you experience that as the downsizing started happening?

P5: It was challenging. Because I didn't know shit about downsizing or the laws involved with the collective agreements and stuff. So it was a lot of knowledge to be…

I: How did the people feel about having you as a representative? Do you think they were glad to have you there?
P5: I hope so. I think our union branch in this office is, was, about 10 people. So I think it was 2 layoffs in our union. So we weren't really involved in any hard negotiations or such, luckily. We had two but there was not much to do basically. But I don't know, basically I was a union representative because no one wanted to. I don't feel like they had much reason to complain.

I: How do you think the downsizing has affected your perception of Wärtsilä? Would you say that the downsizing has affected how you feel about Wärtsilä?
P5: To the better actually. Because, well what I have been hearing around the office is that if this would have happened before we were Wärtsilä, the layoffs would have been happening at a much earlier time. And also it was done in a, for me, a very safe and proper way. All though with the requirements, they needed meetings so protocol was done. So I feel that was done in a proper way. And also I feel that sometimes downsizing, it is there for a reason. It is to streamline, and all these fancy words, so it's needed.

I: So you feel that the processes have been fair, and the processes followed…?
P5: Yes.

I: So how do you think the management have managed to do the communication around these downsizings?
P5: Well the information from the management might have been the worst. It was not perfect. Because I think they were maybe too afraid to give any information that was not accurate. They wanted to be sure that if we go out and say something it has to be accurate. And maybe that is the right thing to do, maybe they should have said something inaccurate instead. It was… I think that was the general feeling around the office as well. That there was a lack of information?

I: So when you were told, why were you told, and who else were told at that stage, around 2 months early?
P5: It was the union reps so about four persons.

I: So when they did start to tell the people around the office, what was the first step of that communication?
P5: The permanent downsizing? There was just before, it was in June, just before the summer holidays. Then they were told that there would be, unless something dramatic changed, there would be some permanent layoffs. And within, I don't know, September or something. I don't recall if they gave a number. But yeah, so I don't know how it works. If everyone was given a number of reduced positions.

I: So when people were told in June, did they, you, know who to contact if there was any questions?
P5: I think so. This is office at [redacted] is not that big an organisation. So I think people knew who to contact. Yeah I think so. Of course maybe HR was the hardest people to talk to because they are here once a week maybe. Also HR was very busy at the time with downsizing at both here and Bomlo and Heiane as well. So they had enough to do. And I am not really sure if all the managers here had sufficient knowledge to answer all of the questions. People have all kinds of questions relating to Nav (The Norwegian Labour and Welfare Administration). Of course every manager in the office here didn't have all the knowledge.

I: Do you think it would have been better if HR was more present in the office?
P5: I think so, yes. At the time. But I can see that HR has difficulties, they had lots to do.

I: Do you think that with HR not being present and managers maybe not having sufficient knowledge that it lead to rumours in the office?
P5: There might be some rumours, but I wouldn't say it was a lot. I don't think so. But I mean, I am not sure because I had the most information so.

I: Do you think that the downsizing has affected the work environment here?
P5: I don't think so.

I: Do you people still feel secure in their jobs? That they have a future with Wärtsilä?
P5: I think so. I think of course everyone was very insecure all along the process until the final. Until all the people actually left the office. No, I think that people are secure and also I feel that a lot has still the reputation internally. I don't think there is, that there are any bad feelings towards Wärtsilä.

I: Do you think people still have trust to theirs managers? Or has that changed?
P5: I think so. I think because we have our managers here and our managing directors and he has his bosses in Finland or I don't know. So there is a lot of, I think the managers here are being understood. But I think more rage was towards Finland at the time, because I think the perception was that Finland had given us, the bosses here, a number to reduce. So I think it was kind of us versus them, us being all the people in this office including managers. And they are the one giving the head count.

I: So you said about Finland…
P5: The people with the axe.

I: How do you think the management could have done it better? How do you think the handling of the downsizing could have been improved?
P5: I think that is just information. Yeah. More frequent information actually.

Appendix 9 - Table of Open Codes

Open Coding	Properties	Examples of participants' words
RQ 1: The current marker situation led the company to implement downsizing processes	Knowing that the downsizing was a result of the current market situation where the low oil price meant less investments and orders for their organisation	- It all comes down to the fact that not many wants to build boats in this situation that Norway and the rest of the world is in right now - All of us saw it coming, due to the market (situation) -I know they had to downsize because of this jobs that not came in
RQ2: Downsizing will benefit the organisation	Makes it more operable, leaner workforce	-Downsizing is necessary to streamline -Provides the opportunity to improve performance - they had to downsize because of jobs that did not come in
RQ 3: HR needs to be consistent when executing a sensitive activity such as laying off employees	Caring for colleagues and friends who are being told they are being laid off	-I know some people didn't have a good experience when told to leave - Some management treated them very well and open minded, but some weren't as good, not as professional.
RQ 4: The individuals found the situation stressful	Not knowing whether they would be chosen to go and not having an understanding of the criteria's were for who got to stay	- It was a bit of an uncomfortable situation. You get a job and you know that is someone who has to leave for good - you are scared about your future, and you are seeing how your colleagues are called to be out of the company - I was very scared for losing my position,
RQ 5: The office environment became affected by rumours regarding who would be laid off	Lack of transparency lead to a lot of rumours and whispering in the office in order to get new information	- There was a lot of talking, rumours, negative talking about the management. And that affected our work - I never got the whole picture, about the restructuring process, so it was just me asking the others; 'do you know who is going to go, I don't know, and yes, I got three names'. And then you have to build up your own picture of what is happening and how the process is going
RQ 6: Belief in that the management used fair processes and complied with the law	The use of a system where one could challenge others in similar positions meant that everyone perceived it	- It is very professional and fair process -Yes. In 90% of the cases. It was fair

	as a fair process, as well as the 15-1 meeting where every member of staff had an in	
RQ 7: Communication from management could be improved through increased transparency and more frequent updates.	The downsizing process felt closed-off to the employees who found it difficult get consistent information, and especially to establish the end of the downsizing process.	- I think it has been quite bad. Because the same, lack of transparency, not too much communication over the whole project. - Well the information from the management might have been the worst. It was not perfect. Because I think they were maybe too afraid to give any information that was not accurate
RQ 8: Employees still had full trust to their immediate managers	Employees felt that the managers shared information when they had it, The fact that they were not directly in charge of the downsizing process meant they still considered them trustworthy	- The local managers did the best they could, absolutely - I think the managers here are being understood. But I think more rage was towards Finland at the time, because I think the perception was that Finland had given the bosses here a number to reduce. So I think it was kind of us versus them, us being all the people in this office including managers
RQ 9: Employees still feel secure in their jobs	There is a feeling of optimism at the end of the downsizing process among the employees, and a majority still feel secure to some degree in their jobs. However there is an understanding of it being related to the market situation.	- We are so related to the market. So if the market goes down even more then nobody is secure. But for this time I feel that I am secured - I know what I have done and I have contributed and I can do for the organisation based on that I feel confident and see a bright future
RQ 10: Now that the downsizing process has ended there is a sense of optimism and motivation to continue working hard	The downsizing survivors realise they have been lucky, and are motivated to work hard to prove to management and the laid off victims that they deserve their positions	- I hope that this restructuring will give us the possibility to improve our performance - It is very much an atmosphere in which we feel that we have to perform now and people are eager to start new tasks and approach new challenges.
RQ 11: No effect on the perception of Wärtsilä as an employer	There was a consensus that the employees' perception of Wärtsilä as an employer had not changed to the worse as a result of a fair process. The understanding of the reasoning for the downsizings enforced that	- I would definitely recommend Wärtsilä as a good employer

	belief.	