



**Can employment restructuring be implemented  
responsibly? A case study of SteelCo's '*Socially  
Responsible Restructuring*' process**

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The candidate confirms that the work submitted is his own, except where work which has formed part of jointly authored publications has been included. The contribution of the candidate and the other authors to this has been explicitly indicated below. The candidate confirms that appropriate credit has been given within the thesis where reference has been made to the work of others.

Chapter 4 draws on the work in discussing the methodological approach taken in the thesis, notably the use of qualitative interviewing and the consistency between philosophical perspective and research methods. The reference for the publication used is as follows:

McLachlan, C.J. and Garcia, R.J., 2015. Philosophy in practice? Doctoral struggles with ontology and subjectivity in qualitative interviewing. *Management Learning*, 46(2), pp.195-210.

Work that is directly attributable to the author of this thesis is the development of a theorisation of philosophical perspectives and qualitative interviewing and the development of critical realist approach to its practice. This theorisation was subsequently applied to the co-author's empirical data on gender and employment relations, and was then analysed jointly and presented in 'Further reflections' section at the end of the publication.

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## Abstract

This thesis contributes to knowledge about, and understanding of, the implementation of responsible approaches to employment restructuring. The empirical focus is a case study of a UK steel plant (SteelCo) and a restructuring process involving the removal of 1700 jobs across two restructuring programmes from the period 2011-2015. Management described its approach to restructuring as ‘socially responsible restructuring’ (SRR). The central argument of the research is the thesis that the concept of responsible restructuring is more appropriately characterised by a best fit approach that recognises contexts such as the contingencies of local organisational and institutional factors, the particularities of industrial relations, the histories of restructuring and the occupational identity of the workforce.

The thesis also presents a conceptual framework that utilises four categories of responsibility based on a synthesis of the prevailing literature that reflects the ways that responsible approaches to restructuring has been researched currently. These categories of responsibility are identified as the *regulatory*, *procedural*, *communication* and *employment* responsibilities.

The research thus explores the rationale, processes, practices, interactions and dynamics of SteelCo’s putative SRR process. The findings identify three contextual variables most pertinent to the implementation of SteelCo’s SRR process. Firstly, the role of trade unions in both supporting affected employees through the restructuring, and the HR team in the design and delivery of the process, suggests that although the unions’ involvement represents an accommodation to management’s decision to restructure, unions can maintain a positive role in the management of change. Secondly, historical, long existing restructuring practices were reframed and repackaged by management through a rhetoric of ‘being responsible’, suggesting that a responsible restructuring strategy offers management a way to legitimise the implementation of an employment restructuring process. Lastly, the findings demonstrate how social, cultural, material and experiential factors associated with the steelworker occupational identity meant that employees had internalised the experience of restructuring. That is, dealing with restructuring and its effects was met with a degree of equanimity by employees, as it had become part of what it meant to work at SteelCo. Following this, the thesis calls for greater attention to be paid to the experiences of a new analytical category of *inbetweeners*, as employees who fall within the interstices of victim and survivor status.



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**Natalie [Keener]:** *I'm building a work flow of firing techniques. It's questions and responses, actions and reactions. It's a script taking you through the steps of firing someone.*

**Ryan [Bingham]:** *Who's it for?*

**Natalie:** *Well, theoretically, you could put it in the hands of anyone and they'd be downsizing immediately. All you have to do is follow the steps.*

**Ryan:** *Natalie, what is it you think we do here?*

**Natalie:** *We prepare the newly unemployed for the emotional and physical hurdles of job hunting while minimising legal blow back.*

**Ryan:** *That's what we're selling, not what we're doing.*

**Natalie:** *Okay, what are we doing?*

**Ryan:** *We're here to make limbo tolerable. To ferry wounded souls across the river of dread to point where hope is dimly visible. And then we stop the boat, shove them in the water and make them swim.*

Scene from the movie *Up in the Air* (2009) between Natalie Keener (Anna Kendrick) and Ryan Bingham (George Clooney). In this scene, Ryan explains to newly appointed consultant Natalie the nature of their work for a Human Resource consultancy firm, that specialises in assisting corporations in making employees redundant.

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## **List of abbreviations, terms and acronyms**

CEFS - European Committee of Sugar Manufacturers

CEMR - Council of European Municipalities and Regions

EC – European Commission

EFFAT - European Federation of Trade Unions in the Food Agriculture and Tourism Sectors  
and Allied Branches

EGF – European Globalisation Adjustment Fund

EPSU - European Federation of Public Service Unions

ERM – European Restructuring Monitor

EU – European Union

ILO – International Labour Organisation

JCCs – Joint Consultative Committees

NGOs – Non-governmental Organisation

PA – name for the first round of restructuring at SteelCo

P2P – name for the second round of restructuring at SteelCo

SRR – Socially Responsible Restructuring

## Introduction

During the early 1970s, employment in the UK steel industry stood at approximately 300,000. By the end of 2015, the figure stood at just 15,700 (EEF, 2016). The huge contraction of employment in the industry has been executed through frequent and episodic rounds of restructuring induced by management. These restructuring processes have occurred for a variety of economic, and often political, reasons. Nonetheless, the common denominator of restructuring has been redundancy. The experience of job loss for steelworkers, and employees more generally, can be a profoundly uncertain, insecure and troubling one. Those facing redundancy typically experience a range of negative effects, impacting on their personal, social, psychological and financial well-being. Thus, pressure has been placed, in both the academic literature and at policy level, on organisations to address the negative effects experienced by those affected by restructuring and redundancy processes.

Concerns around the responsibilities that organisations have towards their employees facing redundancy have gained increasing prominence within debates around the implementation of employment restructuring (Bergstrom and Diedrich, 2011, Teague and Roche, 2014, Forde et al., 2009, Rydell and Wigbald, 2012, Van Buren III, 2000). *Responsible restructuring* has been broadly defined as an approach through which organisations might implement processes and practices that ameliorate the negative effects associated with restructuring and redundancy for those affected (EC, 2011, Bruggeman, 2008, Rogovsky et al., 2005). Despite references being made to responsible approaches to restructuring in the academic and policy literature, the topic is under theorised and associated with little empirical evidence, which has led to limited understanding about what responsible restructuring entails. Thus, this thesis explores the rationale, processes, practices, interactions and dynamics in implementing a responsible restructuring process, and trade union responses to this. The empirical focus of the research is a case study of a UK steel plant (SteelCo) that conducted a restructuring process involving the removal of 1700 jobs across two restructuring programmes in the period 2011-2015, describing its approach as ‘socially responsible restructuring’ (SRR).

The findings from the case study at SteelCo identify a range of issues pertinent to the implementation, and conceptualisation, of a responsible restructuring process. The central contribution of this research is the understanding that the tendency to view responsible restructuring as sets of prescriptive best practice approaches has meant less attention has been

afforded to how the local organisational context shapes the implementation of such processes. The argument advanced in this thesis is that the concept of responsible restructuring is more appropriately understood through a *best fit* approach that recognises the contingencies of local organisational and institutional factors. This represents a shift away from the prevailing emphases in the literature on the prescription of best practice approaches, which has led to an under theorisation of responsible restructuring. In terms of the SteelCo case, three key contextual variables were identified as central to the way its SRR process was implemented, relating to: the role of the trade unions in providing support to both affected employees and the HR team in the design and delivery of the process; the nature of long-standing, existing restructuring practices that were reframed through a rhetoric of ‘responsibility’; and the relevance of occupational identity in shaping employees’ responses to, and perceptions of, the supposed responsible restructuring process.

This thesis also challenges the extent to which responsible approaches to restructuring ameliorate the negative effects of such processes for affected employees. In building on recent theoretical contributions to debates on responsible restructuring, it is argued in this thesis that such processes may be conducted strategically by management with a greater emphasis on counteracting the prospective negative effects on the post-restructuring workforce. In advancing the work of Teague and Roche (2014), Bergstrom and Arman (2016) and Forde et al (2009), this thesis not only corroborates the notion that responsible restructuring serves specific strategic and managerial goals, but argues that organisations may adopt such an approach as a mechanism through which to *legitimise* the implementation of restructuring and redundancy processes. That is, adopting a responsible approach to restructuring may serve as a means for organisations to neutralise the perceived negative connotations associated with restructuring and redundancy.

This thesis also identifies a new, analytically discrete, category of employee affected by restructuring processes of *inbetweeners*, described as employees that fall between the interstices of both victim and survivor status, as characterised in the HRM literature (Sahdev, 2003, Devine et al, 2003, Kets de Vries and Balazs, 1997). That is, inbetweeners of restructuring experience effects associated with both their job being made redundant, victims, and of remaining within the downsized organisation, survivors, as a result of being subject to such processes. The experience of inbetweeners emerges from organisations’ internal redeployment processes, whereby affected employees are offered alternative employment

elsewhere in the organisation instead of exiting through outright redundancy. This thesis thus calls for greater attention to be afforded to experiences of the inbetweeners of restructuring, exposing the way in which the prevailing victim-survivor dichotomy does not account for the broader range of experiences associated with restructuring and redundancy (Sahdev, 2003, Devine et al, 2003).

Furthermore, given that the topic has been under theorised, the thesis develops a conceptual framework, as outlined in Chapter 3 with further discussion of its use in Chapter 4, to provide exploratory themes to guide the research process and analyse findings. This identifies four categories of responsibility based on a synthesis of the literature in the field of HRM, industrial relations, business ethics, management and corporate social responsibility (CSR) related to responsible approaches to restructuring. These categories of responsibility are identified as the *regulatory*, *procedural*, *communication* and *employment* responsibilities, reflecting the variety of ways that the responsibility of organisations when conducting restructuring has been discussed in the literature. The development of the framework served two key purposes. Firstly, it was used to provide a set of exploratory, analytical themes throughout the case study, as opposed to being used in a deductive sense to ‘test’ SteelCo’s SRR process. Secondly, the framework also addresses an assumption in the literature, as discussed below, that organisations owe a ‘blanket’ responsibility to employees during restructuring. Thus, the framework provides nuance as to what is meant by ‘responsibility’ (Freeman et al., 2016) specifically in a restructuring context, through the identification of different *categories* of responsibility. The remainder of this introductory chapter briefly discusses the research process in terms of methodology, before outlining the key research questions driving the thesis. The chapter then ends by presenting the structure of the thesis.

## **The research process**

The research progressed through an intensive, qualitative case study of a UK Steel plant (SteelCo) that claimed to have conducted its restructuring process in a responsible way. SteelCo described its process specifically as ‘socially responsible restructuring’ (SRR), and the research focused on two consecutive restructuring programmes between 2011-2015 where 1700 jobs were cut across the plant. Given the nascence of the topic and the limited empirical research exploring explicit cases of responsible restructuring, the SteelCo case advances knowledge about, and understanding of, the implementation of such processes. That an

organisation claimed to conduct restructuring in a responsible way presented an opportunity to learn more about the rationale, process, practice, dynamics and even the existence of the process. In this sense, SteelCo was purposively chosen as an appropriate case for researching responsible restructuring to generate a greater analytical insight into the implementation of such a process.

The case study consisted of 59, mostly retrospective, semi-structured qualitative interviews. These took place with management, HR representatives, unions, employees and other relevant stakeholders. Interviews were supplemented by non-participation observation at the SteelCo site. The non-participant observation element of the data collection was a methodological strength of the case study. As outlined in Chapter 4, SteelCo granted *in situ* access to the plant, permitting unfettered attendance at meetings and activities associated with its restructuring process. This provided ‘real time’ observations occurring as the restructuring was being negotiated and implemented, and is an approach that has been rarely adopted in previous research on restructuring. The non-participation element of the research allowed for the natural observation of interaction between management, HR representatives, trade unions and affected employees in both formal and informal environments. This approach thus generated a more comprehensive picture of the dynamics of implementing a restructuring process in a responsible way. Furthermore, this aspect of the case study strategy complemented the qualitative interviews as it allowed for a plurality of perspectives on the implementation of SteelCo’s SRR process in settings outside of the immediate interview context, and thus permitted effective triangulation of findings.

There have been limited in-depth qualitative studies into responsible restructuring, with much of the literature related to the topic utilising large data sets primarily through quantitative approaches (Cascio, 2005, Cascio and Wynn, 2004, Teague and Roche, 2014). There are notable exceptions, however, with work by Forde et al (2009), Stuart et al (2007) and Greenwood and Stuart (2002) providing useful examination of responsible approaches to restructuring. The quantitative approach, however, has seldom captured the richer, more complex, interactions and dynamics between actors when implementing a supposed ‘responsible’ process and understanding what is meant by this term: exposing a methodological gap that the qualitative case study at SteelCo sought to address. Indeed, as noted above, and in the findings chapters, a key contribution of the research is that the prevailing literature on responsible restructuring has not adequately addressed how the implementation of such



processes are shaped by local organisational contexts and contingencies. The chosen methodology therefore helped to identify a variety of organisational, institutional and social contexts that shaped the implementation of SteelCo's SRR process.

## **Research aims and questions**

The prime objective of this research was, at its essence, to explore the implementation of a responsible restructuring process, and examine the ways that SteelCo sought to address the impact on affected employees through this process. To address this problematic, a primary research question was formulated:

*Can employment restructuring be implemented in a responsible way?*

Given the prime objective is to explore the implementation of a responsible restructuring process, a key aim of this was to understand the ways that organisations can ameliorate the impact of restructuring and redundancy processes on affected employees through a responsible process. Following this, understanding how organisations view their 'responsibility' in a restructuring context was a necessary avenue of investigation. Given that responsible restructuring has been proposed within the academic and policy literature as a means of addressing the effects on employees, the research explores the rationale, processes, practices, interactions and dynamics in implementing a responsible process at SteelCo. In answering this question, the research engages with a range of literature in the fields of HRM, industrial relations, business ethics, management and corporate social responsibility (CSR) related to the topic of responsible forms of restructuring.

Although academic research has approached the topic from a variety of different disciplines, the term 'responsible restructuring' is adopted throughout the research not only to include, and recognise, these different approaches, but also to explicitly locate the research within recent debates on the topic in the HRM literature (Teague and Roche, 2014, Forde et al., 2009, Tsai and Shih, 2013b, Schenkel and Teigland, 2016). The decision to refer to the process by the term 'responsible restructuring' as opposed to 'socially responsible restructuring' is discussed in Chapter 3. Furthermore, given the interest at policy level through, for example, the European Commission (EC) and the International Labour Organisation (ILO) (Stuart et al., 2007, EC, 2011, Auer, 2001, Papadakis, 2010, Rogovsky et al., 2005), an important area of investigation

in the SteelCo case lies in the way that such practices and processes are implemented at the micro organisational level. Thus, the research also considers how, and indeed if, this represents a distinctive, ‘responsible’, approach to restructuring by management that does ameliorate the outcomes for those most affected. Therefore, to generate a more comprehensive picture of what responsible restructuring entails, three sub research questions are developed to address the overarching aim of the research. Each of these is now outlined with a brief rationale, regarding relevant debates in the literature.

*How did SteelCo understand its ‘responsibility’ when conducting its restructuring process?*

A key assumption that underpins the literature on responsible restructuring is that organisations do indeed owe employees a responsibility when carrying out restructuring and redundancy processes. This assumption, however, is typically taken for granted and accepted with limited critical engagement in the literature, without directly addressing the more nuanced ways in which actors – such as human resource (HR) and management teams – understand not only what their responsibilities are when implementing restructuring, but also how and why they enact these perceived responsibilities (Rydell and Wigbald, 2011, Rydell and Wigbald, 2012, Ahlstrand, 2010, Bergstrom and Diedrich, 2011, Bergstrom, 2007). In this sense, the research explores the strategies, incentives and interactions between actors that constitute a putative case of responsible restructuring. Through the SteelCo case study, the prime focus of this research question, in terms of participants, is those actors intimately involved in the design and delivery of the responsible restructuring process. At SteelCo, this involved the HR team, senior management, trade unions and other relevant stakeholders such as Jobcentre Plus and skills and training agencies. Indeed, this is a useful avenue of investigation, not only to establish how organisations understand their responsibilities during restructuring, but also helps to reflect on the notion that responsible restructuring is typically characterised in the literature by an engagement with a broad set of stakeholders throughout the process (Forde et al., 2009, Papadakis, 2010, Rydell and Wigbald, 2012). Thus, attention is afforded in the research to the way SteelCo engaged with stakeholders through its restructuring process, and examines the company’s use of, and the value attached to, such stakeholder engagement in the implementation of its SRR process. Through an analysis of SteelCo’s perceived responsibilities when conducting a restructuring process, not only is more nuance afforded to the notion of ‘responsibility’, but the groundwork is hence laid to further understand the more practical steps taken by SteelCo to implement its SRR process.

*How did affected employees at SteelCo experience the responsible restructuring process?*

As noted in the opening passages of this introduction, the prime objective driving this research is to explore the implementation of a responsible restructuring process, and understand the ways that SteelCo addressed the impact on affected employees throughout. This thesis, thus, examines the impact on SteelCo employees who were subject to an explicitly *responsible* restructuring process. The research explores how employees responded to a process which, supposedly, had the mitigation of the personal effects of restructuring and redundancy at its essence. In addressing this research question, interviews with employees impacted by SteelCo's process are analysed to understand, essentially, whether they perceived the SRR process as resulting in more responsible treatment from management during its implementation. The research contains a focus, then, on whether there was a novel, meaningful change in SteelCo's restructuring practice that was more indicative of a responsible approach. This analysis highlights the gaps between the rhetoric and reality of a responsible restructuring process, and the problematic nature of measure and evaluating such processes.

An important consideration in examining the experiences of affected employees is the extent to which SteelCo's SRR process ameliorated the effects of restructuring and redundancy. Indeed, the notion that employees affected by restructuring and redundancy experience a range of, often profound, effects related to their social, psychological, physiological and financial well-being is well recognised in the literature (Leana and Feldman, 1992, Kets de Vries and Balazs, 1997, MacKenzie et al., 2006). In addition, the role of occupational identity in relation to processes of restructuring, particularly in industrial and manufacturing occupations such as steel, has also been afforded prominence in the debates on the effects of restructuring (MacKenzie et al, 2006; 2015; Strangleman, 2001; 2016; McBride and Martinez Lucio, 2011). A key feature of this literature is the way in which experiences of restructuring shape the response of employees to such processes, whereby employees draw upon the strong sense of occupational identity and community manifested in their response to restructuring in the sense of coping and dealing with its effects.

*Did the implementation of a best practice approach to responsible restructuring contribute to SteelCo's addressing its responsibilities during its SRR process?*

A major feature of research on responsible approaches to restructuring in the HRM and management literature, along with policy documentation, is the proposal of a range of restructuring practices and processes to be adopted and implemented by organisations when conducting a responsible process (Cascio, 2005, Auer, 2001, Cascio and Wynn, 2004). Thus, it is important to not only identify the types of 'responsible' practices adopted by SteelCo, but to also analyse their implementation in addressing its responsibilities during its restructuring process. This thesis leads with the critique, as presented in Chapter 1, that there is an overemphasis in the literature on the implementation of prescriptive, 'checklist' type, best practices in achieving managerial goals of restructuring, such as improved firm performance and profitability. This comes, it is argued, at the expense of a greater focus on how such practices ameliorate the effects of restructuring and redundancy on employees. Thus, debates around responsible restructuring have tentatively considered the influence of the local organisational and institutional contexts in shaping the implementation of the process (Bergstrom, 2007; Bergstrom and Diedrich, 2011).

Furthermore, the emphasis in the prevailing literature that proposes prescriptive, 'responsible' practices has meant there is an under theorisation of the topic of responsible restructuring. To address this point, and discussed above, a conceptual framework for researching responsible restructuring that establishes different categories of responsibility is developed. In addressing this research question the findings draw upon not only the perceptions of those actors implementing the practices and processes, including trade unions, but also those employees most affected by its implementation.

## **Structure of the thesis**

The first three chapters of this thesis review the literature related to responsible approaches to restructuring. Chapter 1 outlines the reasons why organisations implement restructuring and carry out redundancies, highlighting both the equivocality in existing research regarding the success of such processes, and the way in which its implementation has become the primary organisational response to parlous economic, and recessionary, climates. This chapter also advances the argument as to the over emphasis on best practice approaches, leading to a critique

that there is an assumption that such practices and processes might be homogeneously applied to all instances of restructuring. The effects of restructuring on employees are then discussed, highlighting the different ways they have been addressed, such as through the HRM literature on victims and survivors and the role of occupational identity. This discussion thus points towards a need for organisations to ameliorate the, often profound, consequences of being affected by restructuring and redundancy processes.

Chapter 2 focuses primarily on the role of stakeholders, given that organisations engaging with stakeholders has been characterised as an important tenet of responsible approaches to restructuring. Attention is given here, however, to the role of trade unions as a key stakeholder in the process of employment restructuring. The roles that unions play in responding to restructuring, such as through bargaining processes, are discussed, proposing the emergent connection between responsible restructuring and integrative concession bargaining in the industrial relations and HRM literature.

Next, Chapter 3 ends the literature review with a more substantive discussion of the development of responsible restructuring. More detail is provided on the background and history of responsible approaches to restructuring, noting that a concern for the social and economic harm caused by such processes emerged in the closure of manufacturing plants in the US in the 1970s. Some theoretical contributions to responsible forms of restructuring are then presented, identifying the specific types of practices and processes that have been associated with its implementation. The chapter then draws parallels between CSR, employment practices and restructuring, illustrating some of the consistencies between these areas in the academic literature. Given the disparate, and under theorised, nature of the literature on responsible restructuring, this chapter ends with an outline of the conceptual framework developed in this thesis. In doing so, four categories of responsibility when implementing responsible restructuring are established, based on a synthesis of the prevailing literature; *regulatory*, *procedural*, *communication* and *employment* responsibilities.

The research process and methodology is presented in Chapter 4. This chapter sets out the realist approach taken to researching responsible restructuring, arguing that such processes generate both socially and materially real consequences for those affected that must be recognised when conducting researching into restructuring and redundancy processes. Justification of the suitability, and purposiveness, of the SteelCo case study and the empirical

context for the research is provided, noting the necessarily exploratory and inductive approach taken. Further information around the specific methods adopted in the case study approach are discussed, emphasising the importance of not only the qualitative interviews with participants but also the insights gained from the non-participation observation element of the research. The chapter ends by detailing the data collection and subsequent analysis process, wherein an iterative approach was adopted that enabled alternation between existing concepts in the literature and the emergent qualitative data.

In following on from the methodology, Chapter 5 provides greater detail as to the steel industry context and the specific SteelCo case. Attention is afforded here to the prevailing economic climate, and challenges, faced by both the global and UK steel industry, before moving on to a discussion of SteelCo's responsible approach to restructuring. This chapter therefore acts as the first empirical findings chapter, presenting both primary and secondary data, and provides the relevant industrial and organisational contexts for the subsequent findings chapters.

The key findings of the SteelCo case study and its SRR process are presented in Chapters 5, 6, 7 and 8. These chapters provide an analysis of the way SteelCo understood its responsibility when restructuring, the impact that its process had on affected employees and the practices and processes it implemented to achieve this. Furthermore, taken together the findings chapters address the ways in which SteelCo's SRR process was perceived by participants, and highlights the limited applicability of best practice approaches to responsible restructuring. The conceptual framework developed in Chapter 3 is also employed to investigate how the implementation SteelCo's SRR process demonstrates tensions in the prevailing understanding of responsible approaches to restructuring in the academic and policy literature. The findings point to three key contextual variables that were considered most prominent in shaping the implementation of SteelCo's SRR process – the role of unions in Chapter 7, the historical nature of existing restructuring practices in Chapter 8, the relevance of occupational identity in Chapter 6 – and the subsequent description of the process as such.

Chapter 8 concludes the thesis by drawing together the key theoretical contributions from the case study of SteelCo's SRR process. As noted, the central contribution of this research is that the tendency to view responsible restructuring as sets of prescriptive best practice approaches has meant less attention is afforded to how the local organisational context shapes the implementation of such processes. In this sense, the concept of responsible restructuring is

more appropriately characterised by a best fit approach that recognises the contingencies of local organisational and institutional factors. Furthermore, the thesis contributes to debates around the strategic use of responsible restructuring by organisations, arguing that such processes may be utilised as a way to legitimise the decision to implement restructuring processes (Teague and Roche, 2014) . In addition, the support that unions provided to both the HR team, in the design and delivery of the process, and affected employees is elaborated on, pointing to a more explicit role for unions in responsible approaches to restructuring and, more broadly, the *management of change* (Pulignano and Stewart, 2012, Pulignano and Stewart, 2013, Tsai and Shih, 2013a, Roche et al., 2015; Ackers and Payne, 1998). Attention also returns in this concluding chapter to the impact of responsible restructuring on affected employees, contributing to debates in the HRM literature around victims and survivors by highlighting the relevance of the interstices between the two, also how the previous experiences of employees of restructuring shape their responses to the implementation of such processes. The chapter ends by illustrating the usefulness of the conceptual framework in this research and future studies, whilst additionally proposing how it might be adopted in the more practical implementation of responsible restructuring by management and unions alike.

## **Chapter 1: Employment restructuring and its effects: a review of debates**

This first chapter presents the way in which employment restructuring and its consequences have been characterised in the literature. The main argument presented in this chapter is that little attention has been paid to how restructuring processes may be implemented in a way to ameliorate the negative effects it has on affected employees. Given the goal of the thesis is to explore an empirical instance of responsible restructuring, it is necessary here to first take a step back and understand what is meant by employment restructuring more generally.

In doing so, the chapter begins with an overview of the purpose of restructuring by outlining some of the reasons that companies conduct restructuring, though an intention of this chapter – or indeed, thesis – is not to question company rationales for restructuring. In this sense, the assumption is that restructuring is an accepted part of managerial practice (Mckinley et al., 2000).

Some of the ways that restructuring processes have been characterised are discussed, though critiqued for an overemphasis on achieving managerial goals and for the prescriptive nature of restructuring practices (Bergstrom, 2007). The chapter then explores the types of effects typically experienced by employees affected by restructuring, focusing on the both the material (for example, loss of income) and social (such as the impact on occupational identity). It is these effects, it is argued, that the implementation of restructuring processes may seek to address. The chapter concludes with some brief implications from the state of current understanding on restructuring, though the failure of the restructuring practices of organisations in helping employees to adjust to life post-redundancy is referred to throughout.

### **Employment restructuring: purpose and process**

To provide an overview of employment restructuring, it is first necessary to outline the rationale that drives companies to conduct such processes. Employment restructuring, in its most basic sense, refers to ‘planned changes in organizational structure that affect[s] the use of people.’ (Cascio, 2012: 336). The changes induced, typically by management or HR, seek to improve the efficiency, productivity and competitiveness of the company, in an effort to achieve greater overall organisational performance (Cameron, 1994). Though these processes



are termed employment restructuring here, other terms include ‘layoffs’, ‘downsizing’ and ‘redundancies’. Employment restructuring is used in this thesis as a catch all term for these, as they all involve activities that change the way employees are utilised and managed by the restructuring organisation. Employment restructuring involves making employees’ jobs redundant, often resulting in outright job loss for those affected by such processes. Put simply, companies based the decision to restructure on the need to reduce costs, with employment costs viewed as the primary means to achieve this. The basic economic rationale for companies is, as highlighted by Wilkinson (2005), that it is easier to control future costs than future revenues. This means that employees and their associated costs – for example, wages, pensions, overtime or bonuses – are typically the first to be cut when costs need to be reduced.

Employment restructuring (shortened to ‘restructuring’ hereafter) has proliferated in recent years, with increasing numbers of employees being subject to redundancy. The European Restructuring Monitor (ERM) is a database that, since 2002, records all events of restructuring across 28 European Union (EU) member states plus Norway. Available ERM data demonstrates that between July 2003 and July 2013, 1,836,118 job losses were announced. Notably, however, data relating to the five years after the global economic recession, July 2008 to July 2013, indicate that 1,428,247 occurred in this period alone (ERM, 2013). Recorded restructuring events are based on those reported in national media sources, and the ERM is the only database that attempts to record such activity in the EU region. Though not entirely representative of every single restructuring event in the EU as only based on those reported in the media, it provides a broadly consistent picture of the extent of restructuring across the EU region. Furthermore, available data in the USA context notes that 10.4 million jobs have been lost in the post-recession period from January 2009 to December 2013 (BLS, 2014). These figures demonstrate the extent of job loss across the EU and US, particularly amidst the aftermath of the global economic recession. Though the global economic recession placed pressure on companies to reduce costs to remain commercially viable, Bergstrom (2007: 385) notes that this extensive restructuring is the result of ‘increasing globalisation, the deregulation of product markets and the pressure for increasing productivity and efficiency in both the private and public sectors.’ The way that companies implement these job losses, through restructuring processes, has thus assumed greater significance from both the policy and academic literature alike (EC, 2011, Forde et al., 2009, Datta et al., 2010, Papadakis, 2010, Rogovsky et al., 2005, Cameron, 1994, Cascio and Wynn, 2004).

There is a myriad of reasons related to economic, institutional and organisational contexts that influence a company's decision to restructure (Datta et al., 2010, Muñoz-Bullón and Sánchez-Bueno, 2014). Research into the restructuring *process* has, however, primarily focused on its subsequent impact on organisational performance, thus it is necessary to briefly consider this literature. The extant literature has addressed whether the restructuring of work, or the reduction in costs, ultimately led to goals such as greater efficiency, productivity or competitiveness for the company. Datta et al (2010) drew upon 91 empirical studies on restructuring from the years 1983-2008 to establish the antecedents of a company's reason to restructure. The authors highlight both environmental factors – related to pressures from the prevailing economic and industrial climate – and organisational factors – such as a company's commercial, diversification or HR strategy – that determine whether a company decides to restructure. Addressing these factors can take many forms, such as changing organisational structures (for example, hierarchical to decentralised), mergers and acquisitions, plant or branch closures, headcount reduction, moving business operations towards new product or service markets, increases in subcontracting and other internal structural changes (Edwards, 2004, Pulignano, 2011). What is significant from this research, though, is that restructuring has been found to have an equivocal impact on subsequent organisational performance (Datta et al., 2010, Mellahi and Wilkinson, 2010, Guthrie and Datta, 2008). Put simply, there is no consensus, empirically, as to whether restructuring achieves its desired goals – efficiency, productivity, competitiveness – or not.

Given the ambiguity as to the impact of restructuring, research elsewhere has sought to demonstrate the way in which restructuring processes are legitimised as part of organisational life (McKinley et al., 2000, Vuontisjärvi, 2013). That is, restructuring has been viewed as the primary response to poor economic climates and recessionary pressures. The work of McKinley et al (2000) categorises different streams of research into restructuring into three theoretical perspectives: the economic, the institutional and the sociocognitive. The economic perspective views restructuring as discussed earlier, as a way to reduce costs and improve overall organisational performance. The institutional perspective suggests that companies restructure to gain legitimacy amongst competitors. This perspective reflects how the prevalence of restructuring in organisational life has meant that companies are pressurised to conform to the actions of other companies, and has been institutionalised as the main response to any form of economic uncertainty amongst managers. Following these two perspectives, McKinley et al (2000) argue that it is the sociocognitive perspective that has reified the schema

that ‘restructuring is effective’ amongst managers. The notion that restructuring will improve organisational performance and provide legitimacy is, for the authors, uncritically accepted amongst managers, and is the dominant normative schema for tackling cost reduction. Other research has also highlighted the way in which restructuring has become institutionalised as part of contemporary organisational life (Gowing et al., 1998, Muñoz-Bullón and Sánchez-Bueno, 2014, Vuontisjärvi, 2013). Therefore, an important assumption of this thesis is that, despite the equivocal evidence as to its economic or commercial benefits, restructuring is an accepted organisational practice that will continue to be enacted due to its legitimation within managerial practice. This thesis does not, then, to reiterate, seek to address the reasons as to *why* companies decide to restructure, but rather focuses on the *process* that is implemented to manage the resultant job losses. The following section focuses on how the process of restructuring has been understood in the literature.

### **The restructuring process**

Although much research has addressed the subsequent impact of restructuring on organisational performance, of direct relevance to this thesis is research that focuses on how organisational actors – such as HR, management and trade unions – implement restructuring processes. This refers to the practices and processes that companies use when conducting restructuring. Earlier research developed strategies through which restructuring can be managed ‘successfully’, whereby lists of prescriptive practices are recommended for HR and management to adopt (Feldman and Leana, 1994, Cameron, 1994, Cascio and Wynn, 2004). Cameron’s (1994) research into 30 organisations in the US prescribed 30 practices relating to: approach; preparation; involvement; leadership; communication; support; cost-cutting; measurement; and implementation. Furthermore, Cascio and Wynn (2004) also offer nine considerations that seek to enhance the effectiveness of restructuring efforts, again focusing on the measures HR and management can take when implementing such processes. For these authors, such measures include careful consideration of the rationale behind restructuring, fair selection processes, and regular communication and reviewing retraining for managers and the post-restructuring workforce. This type of research offers a useful insight into the both the process of the restructuring and the way it is managed. That said, it remains largely managerial in its focus, emphasising how restructuring can be handled in a way that, ultimately, leads to greater success for organisations in terms of efficiency and profitability at the expense of how employees’ well-being might be affected.

Whilst this stream of research is instructive in highlighting relevant restructuring practices, their prescriptive nature is problematic as it fails to address the organisational context in which such practices are implemented (Bergstrom, 2007). This is a key point of critique in this thesis, as these prescriptive, ‘checklist’ types of practices assume such strategies can be homogenously applied to all restructuring processes. This is not to completely eschew an engagement with the types of practices that are suggested by such research, but to recognise their limited applicability in all restructuring contexts. For instance, despite Cameron’s (1994) research into 30 organisations that had restructured extensively, all the organisations researched were from the US automotive industry, despite the recommendations offering generalised practices for all companies to adopt. Little is done to understand, however, how the specific organisational and institutional factors of the US automotive industry may have shaped the implementation of certain restructuring practices, and what that might mean for practices implemented outside the US automotive industry context.

In building on this idea, recent literature has demanded a consideration of the local organisational contexts in which restructuring practices are implemented (Bergstrom, 2007, Bergstrom and Diedrich, 2011). Bergstrom (2007) has hinted towards the need for a process of *translation* of restructuring practices into the local organisational context. In referring to translation, Bergstrom (2007) argues that organisational actors interpret restructuring practices in a way appropriate to their local context. That is, the ostensibly prescriptive restructuring practices can be translated into an organisation’s own ‘language’, allowing for a more relevant and focused restructuring process that suits the needs of HR, management and employees alike. For example, the implementation of restructuring may be constrained or enabled by a range of organisational and institutional factors, such as the existence of trade unions and collective bargaining, the embeddedness of social or psychological contracts or the skill levels of the workforce (Van Buren III, 2000, Forde et al., 2009, MacKenzie et al., 2006).

Research into the restructuring process, then, has focused on developing a list of prescriptive practices for companies to adopt to achieve a successful outcome. This successful outcome relates to the supposed gains in efficiency, productivity and competitiveness for the company, despite the equivocality of research into the subsequent impact of restructuring on overall organisational performance. Nonetheless, the most common casualties of restructuring are the employees that are made redundant. As demonstrated earlier by the available EU and US data,

restructuring is an organisational practice that affects millions of employees globally (ERM, 2013, BLS, 2014). An important stream of research related to restructuring captures the experiences of employees' subject to restructuring processes. Employees typically experience a range of profound negative effects related to their social, economic and psychological well-being, which is well documented in the literature. Given an aim of this thesis is to understand the ways organisations can ameliorate the impact restructuring and redundancy on affected employees through a responsible process, it is necessary to next review the literature on the types of effects experienced by employees affected by restructuring and redundancy.

### **The effects of employment restructuring on employees**

Another area of research related to restructuring is the impact that such processes have on affected employees. It is well documented in the literature that employees experience, though not exclusively, a range of profound negative effects related to their social, economic, psychological and physiological well-being (Donnelly and Scholarios, 1997, Leana and Feldman, 1992, Kets de Vries and Balazs, 1997). This area of research has focused on the outcomes for employees, understanding the ways in which they adjust their careers and personal lives following restructuring and redundancy. An awareness of the experiences of employees is thus important to consider in this thesis. It is these effects that companies may seek to ameliorate when implementing certain practices throughout the restructuring process. Therefore, this section discusses the literature that has documented such experiences, and its implications for the way that restructuring processes are managed and implemented.

Early research by Leana and Feldman (1992) tracked employee reactions and coping mechanisms when faced with job loss in the US steel and aerospace industries, examining the types of corporate intervention and trade union and community responses that supported employees during the restructuring process. The research by these authors is notable for its emphasis on uncovering the *human* element of restructuring processes, considering the way in which the effects of job loss extends beyond the workplace to the personal and social lives of those affected. Furthermore, work by Kets de Vries and Balazs (1997) highlights the essential destructive nature of restructuring processes, again exploring the reactions of not only the employees directly affected but also the impact on the actors – HR and management – executing the process. This type of research demonstrates that employees may experience a range of effects such as poor physical health; emotional and psychological distress; feelings of

helplessness for future employability; financial hardship that reduces standards of living; negative effects on home and family life; and the loss of social networks and camaraderie that workplaces afford (Kets de Vries and Balazs, 1997, Leana and Feldman, 1992, MacKenzie et al., 2006). Put simply, restructuring and redundancy is considered to have a negative effect on the overall well-being of employees.

The HRM literature has also dealt with the impact of restructuring on all employees, arguing that its negative effects also extend to those who are not directly affected and remain in the company post-restructuring (Sahdev, 2003, Devine et al., 2003, Brockner, 1988, Kets de Vries and Balazs, 1997). Whilst employees directly affected have been characterised as ‘victims’, those remaining and indirectly affected are referred to as ‘survivors’. Though survivors do not experience outright job loss as with victims of restructuring, research suggests that survivors may exhibit negative work-related attitudes that can inhibit the future performance of the company. This is what Brockner (1988) terms ‘survivors’ syndrome’. Survivors’ syndrome refers to negative work-related attitudes such as lower employee morale and productivity, along with a distrust towards management post-restructure. In addition, Kets de Vries and Balazs’ (1997) research into the consequences of restructuring noted how survivors feared for their own future job security, distrusted management, perceived restructuring as a violation of the psychological contract and felt guilt towards the victims of the process. This research usefully identifies the fact that the implementation of a restructuring process is not an isolated incident, but continues to have implications for the remaining workforce.

Following this, research by Sahdev (2003) has emphasised the need to consider the reactions of survivors when implementing restructuring, to counteract the potential negative attitudes elicited by survivors’ syndrome. Whilst there has been recognition that survivors are also affected by restructuring, little work has addressed how such processes may be managed in a way that accounts for survivors and victims alike. The next section considers the impact on employees’ jobs and careers because of the experience of restructuring.

### **Impact on jobs and careers**

Though restructuring and redundancy affects the well-being of employees in different ways, research has tended to focus on its impact on their subsequent careers and working lives. Indeed, the primary consequence of such processes is the loss of one’s job, therefore attention

has been paid to how employees adjust and find new employment following restructuring (MacKenzie et al., 2006, Dobbins et al., 2014, Stuart and Perrett, 2004, Gardiner et al., 2009). Ensuring continued employment for employees affected by restructuring has also been an explicit goal of the European Commission (EC) and International Labour Organisation (ILO) (EC, 2011, Papadakis, 2010, Rogovsky et al., 2005, Stuart et al., 2007). The ILO adopted the ‘Global Jobs Pact’ in 2009 that set a range of social and employment measures aimed at protecting employees impacted by the restructuring following the global economic crisis. The Global Jobs Pact aims at ‘promoting jobs and protecting people’, therefore acknowledging the social and economic distress restructuring can have on employees due to its emphasis on protection. At European level, the European Globalisation Adjustment Fund (EGF) was set up in 2006 to offer EU member states funding in order to support employees affected by restructuring as a result of the changes in trade elicited by globalisation (Stuart et al., 2007). For the current period 2014-2020, €150 million is available to apply for assistance with restructuring programmes in EU member states. There is, then, a clear recognition at supranational policy level of the effects of restructuring, with measures initiated to help support employees through such process. The specific practices, measures and processes within this policy milieu are discussed in the next chapter, but it is important to mention here that the issue has received attention beyond the academic literature.

In relation to the academic literature, however, research has analysed the extent to which restructuring negatively impacts on the subsequent career development and employability of employees. Gardiner et al’s (2009) research into the redundancy in the Welsh steel industry highlights the processes of employees ‘moving on’ and finding new jobs and careers. The authors describe the experience of redundancy as a ‘critical life event’, in which the prospect of career change is shaped by temporal, biographical, structural and cultural contexts. For example, factors such as access to funding for retraining opportunities or welfare payments, along with the pressures of maintaining income for their families, either constrained or enabled the ability of steelworkers to secure future employment post-redundancy. Research by Dobbins et al (2014) into the Welsh metalworking industry critiques this further by arguing that even where supply side retraining and reskilling were available to redundant workers, it did not necessarily lead to better outcomes in future labour market activity. That is, the structure, and context, of the local labour market did not demand the types of skills for which redundant employees were being retrained, with employees often having to take jobs at relatively lower wage and skill levels. Though the authors suggest that this is more indicative of problems

within the national vocational education and training system, the point remains that employees are further constrained by such structural contexts following redundancy (Dobbins et al., 2014, Gardiner et al., 2009).

The employee experience of restructuring and redundancy, then, has been said to lead to a ‘multitude of insecure people, living in bits-and-pieces, in and out of short-term jobs, without a narrative of upward occupational advancement.’ (Dobbins et al, 2014: 517). This paints a damning picture of the impact of restructuring on the subsequent careers of employees following restructuring. Whilst the direct material impact of being made redundant is clear – loss of present and future income, loss of employment, inability to provide for home and family life, potential for reduced standards of living – other research into the effects of restructuring demonstrates the less material and more social impact of being subject to such processes. Notably, the impact on one’s occupational identity and social networks due to restructuring has been discussed in the sociological literature. The next section explores this social impact of restructuring in more detail.

### **Restructuring and occupational identity**

Not only do restructuring processes have a significant material impact on employees, but it can also influence the social aspects of working life. The impact that restructuring has on the personal and occupational identities of employees has received attention in sociological analyses of the effects of restructuring (Strangleman, 2001, MacKenzie et al., 2006, Sayce et al., 2007). Though this literature focuses primarily on restructuring in the UK manufacturing industry, given the empirical context of the thesis is the UK steel industry it is a relevant stream of research to discuss. The UK steel industry is typically characterised by a strong occupational identity because of its historically collectivist nature, along with the standardised ‘lock-step’ career path where employees move from compulsory education to continuous full-time employment where they tend to stay until retirement (MacKenzie et al., 2006, Gardiner et al., 2007, Moen and Sweet, 2004, MacKenzie et al., 2015). Furthermore, MacKenzie et al (2015) suggest that occupational identities are formed through the emotional attachment to work through factors such as trade union membership, solidaristic relationships and a shared experience of physically demanding work. When faced with restructuring, then, employees typically experience a sense of personal loss given the strong attachment and meaning they



attribute to their jobs, along with the loss of social networks and camaraderie that is associated with the workplace (Strangleman, 2012, MacKenzie et al., 2006, Strangleman, 2016).

Of relevance to this thesis is research on the impact of restructuring into the UK steel industry. Industries such as the steel industry have significantly contracted because of a broader process of deindustrialisation within the UK economy, where there has been a substantial reduction of the share of employment in manufacturing industries and shift towards the service sector since the 1970s. In terms of the structure of the UK economy, in 1973 manufacturing made up 42.3 per cent of all employment before dropping to 15.7 per cent in 2009 (Griffiths and Wall, 2011). This illustrates that deindustrialisation is not exclusive to the steel industry, but indicates a decline in employment in the wider manufacturing base in UK. Though the specific UK steel industry context is discussed later in the thesis, it is worth adding here that employment has reduced from 300,000 in the mid-1970s to approximately 40,000 in 2014 (BIS, 2015).

As Strangleman (2001) notes in his research into post-industrial mining communities, restructuring and redundancy has been a prime consequence of this process of deindustrialisation. Later work by Strangleman (2016) emphasises that whilst deindustrialisation is reflective of industrial change more generally, it is a continual process that extends beyond the simple act of being made redundant. That is, employees experience an ongoing process of deindustrialisation as they continue to associate with the occupational identities developed from working in industries such as steel or mining. Employees must come to terms with the removal of that occupational identity, and the strong personal and social ties that are associated with work in such industries. Research into redundant workers in the UK steel industry by MacKenzie et al (2006) corroborates this, as steelworkers sought to maintain the class-based, collective identity that the steelworks offered them, even post-restructuring. This collective identity amongst steelworkers was used as a means to cope with the effects of restructuring, by continuing to draw upon the shared values and social networks that had been established at the steelworks. The point, then, is that despite the frequent, episodic restructuring in the UK steel industry, research has demanded a more nuanced understanding of how employees adjust and make sense of the resulting changes in their personal and occupational identities.

In focusing on the steelworker identity specifically, research has emphasised the strong sense of collective identity that permeates life on the steelworks (Beynon et al., 1991, Linkon and Russo, 2002, Metzgar, 2000). Indeed, this is reflected in the work by Strangleman (2001; 2012; 2016) into traditional industrial communities, highlighting how such communities as steel have experienced much social and industrial change. Borrowing an idea from MacKenzie et al's (2015) research into the relationship between technology and identity amongst telecommunications engineers, it is argued that this notion of change was inherent within the occupational identity of the engineers. The experience of change became part of what it meant to be a telecommunications engineer. In this sense, the experience of restructuring and organisational change, in terms of redundancy processes, may equally have the potential to shape the occupational identity of steelworkers.

That the experiences of restructuring may influence the character of steelworker occupational identity has been discussed in more abstract terms around the contemporary importance of collectivism. That is, the way in which steelworkers seek to maintain a shared, collective identity in the face of frequent restructuring processes (McBride and Martínez Lucio, 2011, MacKenzie et al., 2006). The work by McBride and Martínez Lucio (2011) analyses contemporary forms of collectivism, highlighting how the memory of certain social experiences – the authors refer to instances of workplace exploitation and racial exclusion, for example – can feature in the development, or maintenance, of a collective character amongst employees at the workplace. This suggests that the experiences of restructuring within the steel industry may also contribute to a sense of collectivism despite, as MacKenzie et al (2006) note, restructuring leading to a removal from those collective workplace relations and inducing a more individualised identity post-restructuring. Particularly for steelworkers who have been through restructuring multiple times at the same workplace, the memory of each process may shape their experience of what it means to be a steelworker. As outlined by McBride and Martínez Lucio (2011: 801), the challenge is to understand how such experiences, such as restructuring and redundancy processes, can 'link and fuse into alternative narratives and visions of work' and can be used to 'create supportive networks and linkages which allow for humane forms of support and coping strategies in the face of economic restructuring.' Thus, the experiences of frequent restructuring in the industry may become a feature of the collective steelworker identity, and help to create a narrative around restructuring that acts as a coping mechanism towards dealing with its effects.

## Implications

This chapter has presented a snapshot of current understanding around restructuring. Some of the economic and institutional rationales for conducting restructuring and the subsequent process have been reviewed, along with the impact that restructuring has on employees both directly and indirectly. Given that restructuring processes have been characterised largely in managerial terms – as it is a strategic company activity – whilst research has also documented the profound negative effects on affected employees, highlights a failure to connect these two streams of research. That is, addressing how might organisational actors practically implement restructuring and redundancy processes to account for the impact on employees. Though work by the likes of Cameron (1994) and Cascio and Wynn (2004) have offered guidelines as to how companies might conduct a restructuring process, there has been less emphasis on how to address the effects on employees when implementing restructuring practices. Indeed, the question remains as to whether organisations even have a responsibility to implement restructuring practices that ameliorate the negative effects for affected employees.

Given the discussion, however, amongst the EU and ILO policy documentation towards promoting jobs and protecting employees affected by restructuring, there has been a shift towards understanding ways in which restructuring processes can be implemented in a more responsible way (Forde et al., 2009, EC, 2011, Pacquard, 2008, Teague and Roche, 2014). Work by Forde et al (2009) and Pacquard (2008) argues the need for companies to include a range of support practices and mechanisms when conducting restructuring processes to address the consequential effects of restructuring for employees and help them to prepare and adjust to life post-redundancy. Put simply, it is crucial to understand the measures in place to help employees adjust prior to being made redundant. A fuller, and more directed, discussion of responsible approaches to restructuring is presented in Chapter 3. Before this, however, the next chapter explores a key tenet of responsible corporate behaviour, and its link to restructuring processes, by reviewing the role of stakeholders, with a specific focus on trade unions' responses to restructuring.

## **Chapter 2: The role of stakeholders: social dialogue, unions and collective bargaining**

As with other forms of responsible corporative behaviour, such as Corporate Social Responsibility (CSR) initiatives and practices, stakeholders are perceived as acting as a safeguard against the ruthless pursuit of economic and financial imperatives by companies. In doing this, the role of stakeholders typically involves arguing for recognition of the social and ethical impact of company behaviour. Stakeholders are, essentially, anyone with an interest in the outcomes of corporate activity, and include a range of individuals and organisations that are closely affected by such activity. The key proposition in this chapter, then, is that although stakeholders have been understood as being important to achieving a responsible restructuring process, a more practical, local understanding of how such engagement actually contributes to a greater sense of responsibility is lacking.

This chapter, however, has a large focus on trade unions as the key stakeholder in the development of a responsible restructuring process. An aim of this chapter is to demonstrate the consistencies between more integrative collective bargaining process and responsible restructuring (Garaudel et al., 2008, Teague and Roche, 2014, Roche et al., 2015). Though other stakeholders are referred to in the literature, a prominent actor in restructuring processes are trade unions – or employee representatives, more broadly – and thus more space is dedicated here to their role than others (Tsai and Shih, 2013a). As will become clear, unions have an established history, and role, in responding to restructuring, with much research focusing on the nature of their engagement with management during these processes (MacKenzie, 2009, Frost, 2000, Frost, 2001, Bacon and Blyton, 2004, Pulignano and Stewart, 2013, Pulignano and Stewart, 2012, Martinez Lucio and Weston, 1992). There is also a more pragmatic reason for the focus on unions, as the empirical context of SteelCo necessarily requires a discussion of the role of unions in restructuring, due to high levels of union density and historical traditions of union-management negotiations in the UK steel industry more broadly. In addition, as presented below, in the nascent discussions around the development of responsible restructuring at European level, employee representatives, unions, have been central to these developments, typically setting the terms of stakeholder engagement.

This chapter is structured as follows. Firstly, what is meant by stakeholders is reviewed in order to operationalise the term for the subsequent discussion and analysis in the thesis. A key point

raised here is that of stakeholder salience, whereby companies may only engage with stakeholders they consider to have significant power, legitimacy and urgency (Mitchell et al., 1997). In developing the link between stakeholders and responsible approaches to restructuring, some European level efforts are discussed, noting the potential establishment of such processes through mechanisms of social dialogue. In turning to the discussions of unions, their role in relation to restructuring – and the workplace more generally – is outlined, so as to understand the potential contribution unions can make to more responsible forms of restructuring. This helps frame the subsequent analysis of how unions have responded to restructuring, arguing against the traditional ‘militant–cooperative’ dichotomy, and for a greater consideration of how national and institutional contexts lead to a variety of union responses (Frost, 2000, Pulignano, 2011, Pulignano et al., 2016). Lastly, following the framework of Walton and McKersie (1965), the issue of how unions might bargain with management over restructuring is presented. The intention here is to demonstrate how a consideration of bargaining as a ‘spectrum’ – as opposed to simply distributive, integrative or mixed – may have implications for responsible restructuring; that is, as a result of more integrated forms of bargaining between unions and management.

### **Stakeholder salience and social dialogue**

Before discussing the relevance of stakeholders to the responsible restructuring process, it is necessary to operationalise the term ‘stakeholder’. Stakeholders are typically understood within the debates around CSR and managerial strategy formulation (Crane et al., 2008, Garriga and Mele, 2004, Freeman and Medoff, 1984). Donaldson and Preston’s (1995:67) work into advancing the normative dimension to stakeholder theory defines them as ‘person(s) or groups with legitimate interests in procedural and/or substantive aspects of corporate activity’, which offers, they argue, a space for a separate perspective to be represented that can challenge the decisions of shareholders. Crudely speaking, in this definition, shareholders are differentiated from stakeholders, as although stakeholders may hold an economic or financial interest in the outcomes of company activity, this is the former’s *primary* interest given they tend to be the owners and have usually invested their own financial resources into the company’s operation. Stakeholder interests, then, as defined here, tend to be more concerned with the social or ethical impact of company activity, offering a counterbalance to the primacy of economic or financial interests. Whilst shareholders, according to Friedman (1962), are interested in generating profit, it is the role of stakeholders to act as a potential barrier to an

unbridled pursuit of economic or financial imperatives, at the expense of any associated social or ethical harm such a pursuit may cause.

Stakeholders, for example, are groups/individuals that promote issues such as the enforcement of consumer rights, abidance with legal standards, environmental awareness and the questioning of the extent to which business practice is honest or transparent (Campbell, 2007, Crane et al., 2008). This involves a range of actors (some inside and others outside the employment relationship) such as employees, customers, suppliers, financiers, managers, community groups, non-governmental organisations (NGOs), government bodies, political groups, trade associations, religious groups and trade unions (Freeman and Medoff, 1984). The landmark theory in relation to stakeholders comes from Freeman (1984), who conceptualised stakeholders as groups whose interests should be taken into consideration in organisational strategy formulation. Engagement with stakeholders when designing different organisational strategies – for instance, restructuring – has typically been characterised as a key social and ethical responsibility of organisations. Much literature has sought to advance Freeman's (1984) stakeholder theory by both exploring the normative dimension – whether organisations *should* engage with stakeholders – and refining the definition in a technical sense as to who actually constitutes a stakeholder, and whether they are salient to different types of organisational activity (Mitchell et al., 1997, Phillips et al., 2003, Rowley, 1997).

Notably, the work of Mitchell et al (1997) argued for a consideration of 'stakeholder salience', which challenged the assumption in the earlier conceptualisations of stakeholders as all being treated with equal importance. The authors argue that a stakeholder's salience to an organisation – that is, the extent to which an organisation should recognise and act upon stakeholder's interests – depends on their relative *power* to the organisation, the *legitimacy* of their interests and the *urgency* of their claims. For example, a recognised trade union planning an industrial dispute against an organisation would, arguably, score highly on each of these dimensions given the potential costs to an organisation in terms of loss of labour power or the harm to their perceived image as a responsible employer. That said, Mitchell et al's (1997) conceptualisation is problematic because of its managerialist nature, as it is based on the company's interpretation of a stakeholder's power, legitimacy and urgency, which may have a tendency to devalue the status of particular stakeholders to suit its own agenda (Bergstrom and Diedrich, 2011).

As mentioned, stakeholders have typically been discussed within debates in the CSR literature (Carroll and Shabana, 2010, Campbell, 2007, Garriga and Mele, 2004, Greenwood, 2007). Campbell (2007) argues that, in essence, for a company to act responsible it should seek to satisfy the interests and expectations of related – or following Mitchell et al (1997), those that are salient – stakeholders. Though discussion around the link between CSR and stakeholders are outside the purview of this thesis, it is important to note that the engagement of stakeholders has been considered central to debates about responsible corporate behaviour. There is a normative assumption within these debates, however, that engagement with stakeholders when designing or implementing organisational strategies necessarily demonstrates a higher level of responsibility from the organisation (Greenwood, 2007). This criticism was posed by Greenwood (2007), suggesting that much understanding around what it means for a company to act responsibly is (wrongly) built on this belief. Therefore, assessing whether stakeholders play a role in the responsible restructuring process is an important avenue of investigation, given their characterisation as central to other forms of responsible corporate behaviour. The next subsection considers the way stakeholders have been understood in relation to responsible restructuring.

### ***Stakeholders, social dialogue and responsible restructuring***

Employer engagement with a broad range of stakeholders when conducting restructuring has been characterised as instrumental in achieving a responsible restructuring process (Gazier and Bruggeman, 2008, Pacquard, 2008, Papadakis, 2010, Forde et al., 2009, Bergstrom, 2007, Ahlstrand, 2010). In a restructuring context, stakeholders typically involve – though not exclusively – trade unions, HR, employees, skills agencies, local community organisations, employment agencies and bodies and political groups. In principle, any group or individual that may have an interest in an organisation making people redundant could be classified as a stakeholder. A challenge for such organisations, following Mitchell et al (1997), is to identify the salience of each stakeholder during the restructuring process. For example, a local religious group may have an interest in employees at a neighbouring organisation losing their jobs for many different reasons, such as resultant increases in attendance at religious services, or community groups, as people seek religion as a coping mechanism for job loss. An organisation may not, however, necessarily view such a group as holding significant power, legitimacy or urgency so much so that it alters the implementation of the restructuring process. Nonetheless, stakeholders' concerns are viewed as important in the design of the responsible restructuring,

with Pacquard (2008: 48) highlighting that it is only once grievances between actors are cleared up, process and selection criteria are defined and the role of stakeholders clarified, that a coherent process can develop.

A specific concern of stakeholders during restructuring processes is the significant impact that redundancy and job loss can have on local and national labour markets. For this reason, it is expected that actors – such as trade unions, regional and government officials – will have an interest in how such a process is conducted (Gazier and Bruggeman, 2008, Forde et al., 2009). These actors, then, may offer both a check and force against irresponsible company behaviour, particularly in a restructuring context. One way in which stakeholder engagement during restructuring has been understood is through the implementation of ‘social dialogue’ between a range of actors, known as ‘social partners’. Social dialogue is not exclusive to restructuring processes, though, and refers to broader discussions, consultations, negotiations and joint actions over a range of work and employment issues (EU, 2015). Social dialogue involves representatives from ‘either side’ of industry; that is employer and employee representatives, known as the social partners.

Though social dialogue operates in a range of national, supranational and sectoral contexts, the specific focus in this discussion is on social dialogue within Europe given the empirical focus of the thesis. The goal of European social dialogue – having been established in the mid-1980s – was to strengthen the social model of Europe and encourage greater integration between the member states of the European Union (EU). Establishing a social model across Europe was considered, following the conflict within the region following the Second World War, important in creating an equal society that focused on ending poverty, guaranteeing human rights and ensuring effective social and employment protection rights. One of the outcomes of this social model, then, was the establishment of social dialogue that sought to ensure the right to conclude collective agreements, the right to workers’ representation and to the right to processes of consultation across the European region.

In relation to responsible approaches to restructuring, social dialogue has been proposed as a way to codify or establish such processes between employer and employee representatives. In essence, social dialogue is considered the key mechanism through which employers may be compelled, in terms of explicit agreements, to act in a responsible fashion when conducting restructuring. In a joint response to the EC green paper related to responsible restructuring (EC,



2011), the Council of European Municipalities and Regions (CEMR) and the European Federation of Public Service Unions (EPSU)<sup>1</sup> stressed the importance of social dialogue in this area (EU, 2015, CEMR-EPSU, 2012, EC, 2011). The CEMR and EPSU posit that social dialogue is the key mechanism to ensuring, what they describe as, ‘socially acceptable’ restructuring processes. Some of the ways in which they describe this as being achieved is through practices that use social dialogue to evaluate the skills and training needs of employees in a particular sector or industry, along with the sharing of experiences of good practice between stakeholders from previous rounds of restructuring in other organisations, sectors or industries. According to the CEMR and EPSU, the role of social dialogue within responsible restructuring is to help anticipate and manage change initiated by restructuring processes, corroborating the work on ‘Socially Responsible Restructuring’ by Forde et al (2009), which is discussed in further detail in the next chapter, who argue for the need to create an ongoing social dialogue around the effects of restructuring.

There have been relatively few instances, however, where social dialogue has led to the codification of at least an intention to conduct restructuring in a responsible fashion (EU, 2015, CEMR-EPSU, 2012). Two industry examples are worth highlighting here, as they explicitly reference the need for responsible approaches to restructuring. In the European sugar industry, the European Committee of Sugar Manufacturers (CEFS) and the European Federation of Trade Unions in the Food Agriculture and Tourism Sectors and Allied Branches (EFFAT) highlighted the management of restructuring processes within a report presented on the industry’s CSR code of conduct in 2012. Subsequent annual CSR codes of conduct have appeared since, but the 2012 report specifically refers to training and development as a means of enhancing affected employees’ employability following restructuring, and the engagement between social partners as the conduit in achieving this. Likewise, in the European graphical industry – involved in producing newspapers, books, periodicals, business forms, greeting cards, identification documents and other printed materials – Intergraf (employers) and UNI Europa Graphical (employees) emphasised the commitment of the social partners, and associated stakeholders, to responsible restructuring at its inaugural meeting in 2013. Despite the limited adoption of commitments to responsible forms of restructuring, these examples

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<sup>1</sup> CEMR and EPSU are representatives of local and regional public sector organisations across Europe. CEMR represents 150,000 local organisations, whilst EPSU represents 8 million public sector workers across the region.

demonstrate the burgeoning interest in using social dialogue as a means of establishing such processes at industry level across the European region.

Though there has been debate within the academic and policy literature as to the importance of engaging stakeholders during restructuring process, there remains some ambiguity as to how this operates in practice. Whilst examples of where social dialogue has brought employer and employee representatives together over how responsible restructuring can be identified, this is limited to broader sectoral or industry level agreements. Little is known about how this feeds into micro level organisational practice, and the negotiations that occurs between stakeholders at this level during the implementation of a responsible restructuring process (Forde et al., 2009, Bergstrom, 2007, Greenwood, 2007). Following the logic of Mitchell et al (1997), given that the agreements typically involve employer and employee representatives, one can assume that employee representatives, such as trade unions, are, arguably, the most salient stakeholder for an organisation during restructuring. This makes sense, as it is the employees that such bodies represent who are most affected by restructuring.

Moreover, any commitment to an engagement with other stakeholders is contained within these agreements between employer and employee representatives, suggesting that it is these two actors that influence the extent to which the involvement of stakeholders in responsible restructuring occurs. Though an employer, or a company more broadly, may be viewed as a stakeholder, their interests were addressed in the previous chapter when reviewing the motives and drivers for conducting restructuring activity. What is significant, then, is how employee representatives respond in a way to elicit a greater sense of responsibility. Thus, the extent to which organisational level actors, specifically trade unions, have responded to restructuring is crucial in understanding how a responsible approach might develop. Of course, there are other forms of employee representation at local organisational level, especially so in non-unionised workplaces where works councils, Joint Consultative Committees (JCCs) or representatives for specific issues such as pensions or health and safety might exist. Most relevant to this thesis, given the empirical context of the highly unionised UK steel industry, is the role that trade unions have played in responding to restructuring at local level. The next section reviews the literature on responses by unions to restructuring, along with some implications of this for the development of a responsible restructuring strategy.

## Trade unions and restructuring: role and response

In unionised workplaces, trade unions are a key stakeholder for companies to engage with when conducting restructuring (Tsai and Shih, 2013a, Forde et al., 2009). Not only does UK legislation oblige companies to consult with unions, or employee representatives, when conducting restructuring, but engagement with unions over workplace issues reflects a longer historical, though voluntarist, tradition within UK industrial relations processes; such as through collective bargaining. It is worth reiterating that the empirical focus of this thesis is on SteelCo, and given the high levels of union density in the company, and the UK steel industry more broadly, it is necessary to review the way unions have responded to the onset of restructuring both in the steel industry and more generally (Blair, 1997, Stroud and Fairbrother, 2012). Drawing on seminal work on the role of unions in the workplace, Freeman and Medoff (1984) argue that unions benefit workplace productivity, help to reduce economic inequality through securing higher wages for their members, and stabilise the workforce through job security measures. Unions are, arguably, the safeguards of employees' interests, acting independently from the company and as a counterforce to management prerogative.

Whilst the positive role of unions is not without criticism (in the past from free market economists such as Friedrich Hayek and Milton Friedman) for creating inefficiency in economic markets because of higher wages, the nuances in these debates is outside of the scope of this thesis. It is not the aim here to assess the broader political economy of trade unions, but to illuminate their role in response to the onset of restructuring processes. Research has addressed the effect that being a member of a union has on employees during restructuring, noting how union members tend to experience different outcomes – such as higher levels of well-being – than those in non-union workplaces (Pierse and McHale, 2015, Forde et al., 2009, Bryson et al., 2013, Brewster et al., 2015). For instance, work by Pierse and McHale (2015) into unions and involuntary job losses in Britain posit that instead of necessarily changing *how many* people get made redundant, unions can alter a company's restructuring strategy and influence *who* gets made redundant. For example, the authors note that lower-tenure staff have a lower probability of being made redundant as unions induce companies to exhaust older, higher tenure employees first through voluntary redundancy and early retirement schemes; which is also a key characteristic of restructuring in the UK steel industry (Gardiner et al., 2007, Gardiner et al., 2009, Schröder et al., 2014). Furthermore, similar research by Brewster et al (2013) highlights how companies are more likely to force compulsory redundancies in the

absence of unions and collective bargaining, which has been perceived as a less responsible way to manage restructuring processes (Casey, 1992, Wass, 1996). Such literature generally focuses on the differing quantitative outcomes between unionised and non-unionised employees.

Another stream of research explores the variations in union responses to the onset of restructuring. That is, the different strategies that unions have employed to either resist restructuring or engage with the company over its implementation. These responses vary considerably across, and depend on, different national and institutional contexts. Thus, the next subsection reviews the debates around the responses of unions to restructuring.

### ***The response of unions to restructuring***

Given that the decision to conduct restructuring is typically imposed, often unilaterally, by companies, unions have had to adapt and develop ways to respond to protect the interests of the workforce and members they represent. Research in this area is not limited to just employment restructuring. That is, research has explored the response of unions in relation to broader organisational changes, such as the introduction of team working and workplace flexibility initiatives, outsourcing and other changes in management practices such as decentralisation and total quality management (TQM) approaches (Bacon and Blyton, 2004, MacKenzie, 2009, Martinez Lucio and Weston, 1992, Danford et al., 2002, Pulignano and Stewart, 2013). This is in addition to research that has explicitly addressed the response of unions to employment restructuring, such as with the implementation of mass redundancies, changes to employees' contracts or the redeployment of employees affected by restructuring (Stroud and Fairbrother, 2012, Pulignano and Stewart, 2013, Pulignano and Stewart, 2012, Cullinane and Dundon, 2011). A key theme throughout this literature is that responses by unions to restructuring are conditioned by a range of national and institutional labour market contexts. Indeed, work done in the European context by Pulignano (2011) and Pulignano et al (2016) emphasises the need to make these different national and institutional contexts central to the analyses, to better understand the diversity within responses by unions to restructuring.

Arguably one of the prime challenges for unions is the extent to which they engage with companies over the implementation of restructuring processes. In relation to employment restructuring specifically, it may appear counter to an historical union tradition of *preserving*

employment for them to be involved in a process that ultimately results in the *removal* of jobs. As with other forms of restructuring that are imposed by the company, unions may be perceived as participating in managerial initiatives, thus bringing into the question the extent to which the union is independent from the actions of management, or whether unions have ‘sold out’ (MacKenzie, 2009, Rodríguez-Ruiz, 2015). As argued by MacKenzie (2009) in his work into outsourcing in the Irish telecommunications sector, it is important to recognise the distinction between unions engaging with management to shape the outcomes of restructuring, and the appropriate nature of that engagement. Applying this to a context of employment restructuring where job losses are proposed, unions may be unable to contest outright prevention of job losses, but instead seek to cooperate with the company and influence the way restructuring is implemented.

Unions are, typically, further constrained in redundancy situations as ‘managements attempt to set the scene for union responses to redundancy by deliberately framing the surrounding events as inevitable’ (Stroud and Fairbrother, 2012: 4). Furthermore, unions are not typically involved in the initial decision of management to cut jobs, as this would again, arguably, raise questions as to whether they were in genuine opposition to managerial prerogative. Thus, union responses to restructuring, as argued by Danford et al (2002) regarding the UK aerospace sector, within the British manufacturing industry has been based on a defensive and reactive strategy. That is, union strategies have been more concerned with accepting restructuring and working with management as a means of company survival. Indeed, unions also have an interest in the future viability of the company given the potential institutional threat this could have on the union being able to continue representing and recruiting members (Golden, 1997). This point is echoed by Cullinane and Dundon (2011) and Stroud and Fairbrother (2012), who note that the contestation of restructuring processes by unions has primarily involved negotiating over the terms and conditions of redundancies rather than opposition to redundancy or job loss *per se*, which is reflective of a broader acquiescence by unions towards restructuring processes. Moreover, management may appear amenable to cooperating with unions during such processes to, essentially, legitimise restructuring activity amongst the workforce (MacKenzie, 2009, Teague and Roche, 2014). Therefore, analyses of the extent of union engagement must remain cautious as to whether it represents a genuinely cooperative approach, or a way for management to attempt to exonerate themselves from the restructuring process by promoting involvement by unions in the restructuring process.

Union engagement with company restructuring initiatives has been subject to several characterisations in the literature. Central to these characterisations, however, is Frost's (2000) work in the North American steel industry, where she argued that the 'militant-cooperative' dichotomy was too simplistic a way to understand the nuances in the processes by which local unions engage with management over restructuring. In offering a (simplistic) example of this, a militant response by unions may be viewed as initiating industrial action against the company, compared to a cooperative response whereby unions engage and work with management over the restructuring. Subsequent work has moved away from this narrow dichotomy, though, focusing on the variety of union responses within different national and institutional contexts (Bacon and Blyton, 2004, Pulignano and Stewart, 2013). Work by Bacon and Blyton (2004) on the introduction of team working in the UK steel industry characterised the union response into four categories based on the ideological orientation of the union and the type of action taken during negotiations; *cooperative engagement*, *militant opposition*, *moderate opposition*, and *militant engagement*. The authors found that more militant union branches had greater success in avoiding the worse effects of team working, such as worsening wages and conditions, as they demonstrated a more obvious, credible opposition to management prerogative.

Other work by Pulignano and Stewart (2012; 2013) at European level has also characterised union responses to restructuring, describing strategies that involve engaging in either *confrontational job protection* or *collaborative job transition* with management. The authors argue that where restructuring is perceived by unions as simply an aggressive cost-cutting exercise the response tends to be more confrontational. On the other hand, a collaborative approach where the restructuring is associated with market expansion – such as entering new international or product markets – means unions tend to focus on ensuring continued training and employment for those affected. What is important from these characterisations, despite the different emphasis in terminology from Bacon and Blyton (2004) and Pulignano and Stewart (2012, 2013), is viewing the engagement of unions over restructuring as a way in which to confront the, often, negative social effects associated with restructuring. An important avenue of investigation for responsible restructuring, then, is to explore how unions may instil a greater sense of responsibility into the restructuring process, where the negative effects on employees are ameliorated as a result of the engagement of unions with the management of the process. Indeed, as inferred from Pulignano and Stewart (2012), unions may play a role in the

*management* of organisational change – such as the implementation of restructuring – as opposed to its outright *prevention*.

Within the debates around union responses to restructuring is a more nuanced focus as to how unions practically engage with management over such issues. That is, what are the types of bargaining arrangements that exist between unions and management, and the processes through which unions can secure improved outcomes for its members and the broader workforce. Pertinent to the discussion of responsible restructuring though, is the notion that unions engage in more integrated forms of concession bargaining to achieve a responsible restructuring process (Walton and McKersie, 1965, Teague and Roche, 2014, Garaudel et al., 2008, Roche and Teague, 2015). This is an expanding theme in the literature, especially since the global economic recession in 2008 where union responses to restructuring have become increasingly constrained by the poor economic climate (Stroud and Fairbrother, 2012, Cullinane and Dundon, 2011, Roche and Teague, 2015, Doerflinger and Pulignano, 2015). The next subsection explores the role of unions in bargaining, to propose that more integrative forms of bargaining between union and management may prompt a responsible approach to restructuring.

### ***Bargaining over restructuring: integrative bargaining and responsible restructuring***

Walton and McKersie's (1965) framework is widely understood as the key influential study when examining industrial relations bargaining processes. The authors identify four sub-processes related to negotiations over industrial (labour) relations issues. Of primary concern to the topic of restructuring is the notion of distributive and integrative bargaining (Walton and McKersie, 1965). Distributive bargaining typically functions as a way to resolve issues where there is a pure conflict between the two parties within the negotiation, which may be further understood as a zero-sum game where one party's gain is the others loss. Integrative bargaining, however, functions as a way to discover complementary interests between both parties, therefore reducing the conflictual element and leading to a mutually beneficial agreement between the two parties. Generally speaking, though, bargaining typically involves a combination of the two, which is characterised as mixed bargaining.

Whilst these two forms of bargaining refer to the nature of the content being negotiated the other two sub-processes of attitudinal structuring and intra-organisational bargaining refer to

reaching consensus through the interactions of the parties. With attitudinal structuring, the goal is to resolve any existing hostility or distrust between the parties so as to improve the basic relationship between them. Intra-organisational bargaining seeks to achieve agreement within each of the interacting parties as to the outcomes of the bargaining process, focusing on achieving a consensus at all levels – such as different organisational departments and skill levels – of the organisation. Though this framework has been used to understand how a broad range of industrial relations issues are bargained at the workplace between unions and management, little research has explicitly applied it to the employment restructuring context (Walton and McKersie, 1965, Collett, 2004, Garaudel et al., 2008).

To understand the ways in which unions have been able to bargain in response to the onset of restructuring, Roche et al (2015) assert that an essential feature of such negotiations involves ‘concession bargaining’. Originating in the US in the early 1980s, though extended to Europe since, concession bargaining is where unions surrender certain demands in order to secure others. For example, Roche et al (2015:654) describe concession bargaining as unions offering ‘concessions to employers in such areas as pay (pay freezes, cuts, deferred pay rises, two-tier pay systems, etc.), working conditions and working practices in return for general or specific management pledges to save or protect jobs.’ This form of bargaining has assumed greater significance given that management typically frame restructuring as a necessary and inevitable response to poor economic climates (Roche et al., 2015, Stroud and Fairbrother, 2012). Although restructuring may be understood as involving elements of both integrative and distributive – i.e. mixed bargaining – such negotiations are, arguably, inherently conflictual and therefore more indicative of a distributive bargaining arrangement, as the employer’s desire to cut jobs directly arguably contradicts the unions’ desire, and ideological tradition, to preserve employment.

Following Walton and McKersie, concession bargaining is characterised by Roche et al (2015) as either being integrative or distributive, as outlined above, or of a third type called ultra-concession bargaining. Ultra-concession bargaining, however, reflects attempts by management to actively displace and undermine unions, and any associated collective bargaining processes, through such negotiations. Put simply, the outcomes for unions and the workforce depends on the type of concession bargaining adopted, with arguably more integrative forms the preferred type of bargaining for unions. Indeed, the work by Roche et al (2015) highlights how integrative concession bargaining is preferred for unions, as it typically



helps to save jobs during the restructuring process, despite noting that in the Irish context the dominant form has been within the distributive bargaining ‘spectrum’.

Viewing bargaining as a spectrum is crucial to the present analysis of responsible restructuring. That is, it is inappropriate to label one specific type of bargaining as either narrowly distributive or integrative, but to understand how the actual *conduct* of bargaining may operate along this spectrum. Research by Garaudel et al (2008) into the French textiles and insurance industries recognise this, and argue for realising the ‘integrative potential’ in such negotiations. Integrative potential exists, per the authors, as during times of restructuring both employers and employees face risks that can be addressed through cooperation between union and management during negotiations. The risks to employees are well known, in that they face the prospect of redundancy and the associated negative effects discussed in Chapter 1. For employers, the risks involve a failure to meet expected performance targets subsequent to restructuring, and much of this depends, as Garaudel et al (2008) argue, on the reaction of the workforce to the restructuring process. In this sense, employer and employee risks are interrelated as whilst restructuring may appear necessary for the future survival of the company, that future success also depends on reaching an agreement with unions and employees over the way in which restructuring is implemented. An assumption in this work, however, is that during times of restructuring employees will necessarily have an interest in the future success, either in terms of profitability or performance, of the company, as opposed to more personal concerns related to their own well-being and careers post-restructuring. Nonetheless, other research demonstrates how more integrative forms of bargaining can lead to better outcomes for employees, with reference to how such negotiations led to a more responsible process (Kirov and Thill, 2015, Teague and Roche, 2014, Rodríguez-Ruiz, 2015, Tsai and Shih, 2013a). In this sense, following Garaudel et al (2008), realising the integrative potential within restructuring may necessitate a more responsible process. The point is not to view bargaining as determinedly integrative or distributive, but to realise the common interests and risks that exist between unions and management during restructuring to move along the bargaining spectrum *towards* a more integrated negotiation process.

In explicitly developing the link between integrative bargaining and responsible restructuring, the work by Teague and Roche (2014) into HR practices following the global economic recession in Ireland stresses the consistency between the two. In particular, the authors suggest that the pursuit of a responsible restructuring process may benefit from ‘employer-union

accommodation in concession bargaining [that] might involve ‘integrative bargaining’, where firms seeking concessions on pay, conditions employment and work practices offer unions access to financial data, as well as ‘institutional gains’ such as more involvement in the managerial process or extended recognition or representation rights’ (Teague and Roche, 2014: 179). Though their research initially proposes the link between responsible restructuring and integrative bargaining through connecting prevailing literature, their findings illustrate that in the Irish context there is little evidence that an explicit responsible restructuring strategy has been pursued by organisations in the Irish context.

The question remains as to what extent an integrative bargaining process over restructuring can result in a more responsible outcome. At a broader level, research by Tsai and Chih (2013b) has called for a greater recognition of the union role in delivering more responsible approaches to restructuring, highlighting through a large-scale study of Taiwanese firms’ restructuring practices the both positive and negative effects on subsequent organisational performance. What is required, then, is a specific focus on empirical instances of responsible restructuring, in order to understand how the initial bargaining process may contribute to, or help achieve, such a process. This is not to denigrate the sophisticated methodological approaches of Teague and Roche (2014) and Tsai and Chih (2013b), though a qualitatively focused case study would develop this research further and elicit a greater insight into the link, if any, between responsible restructuring and integrative bargaining. Indeed, this is one of the goals of the thesis, as it weds together how the response of unions to restructuring – for example, prompting management into more integrated forms of bargaining – may contribute to an explicit responsible restructuring process. The intention is that through these processes of negotiation and implementation the negative effects of restructuring may, ultimately, be ameliorated for those most affected: the employees losing their jobs. The next chapter builds on responsible approaches to restructuring by addressing the specific ways it has been understood in both theory and practice.

### **Chapter 3: Responsible restructuring: theory, practice and a conceptual framework for action**

There are a range of disparate practices and processes proposed in both the academic and policy literature to help companies manage restructuring in a responsible way. This chapter focuses on the specific detail as to what these practices and processes involve, and the extent to which they contribute to a company's responsibility during the implementation of restructuring. In doing so two key points are presented that necessarily overlap. Firstly, there is an assumption in the literature that companies do indeed owe employees a responsibility when implementing restructuring. It is argued here that although this represents an oversight in the literature, reviewing the disparate literature here reveals the different types of responsibilities that companies have both legally and normatively, and therefore helps to strengthen the taken for granted assumption of responsibility evident in the literature on responsible restructuring. Secondly, whilst considerable knowledge exists as to the types of practices and processes, an understanding as to how responsible restructuring may be theorised and thus implemented as a practical, explicit strategy that addresses the negative effects of restructuring for employees remains underdeveloped.

To illuminate these points, this chapter is structured as follows. Firstly, some background conceptualisation of responsible restructuring is provided, demonstrating how the topic emerged from a growing concern for the social and economic harm to employees and communities caused by restructuring and redundancy processes. Some attempts to theorise responsible approaches restructuring are then presented (Van Buren III, 2000, Teague and Roche, 2014, Forde et al., 2009). Next, the detail as to the types of practices and processes that characterise responsible restructuring are discussed. This section draws on the proposals from EC and ILO documentation, but also the wider academic literature.

The chapter then draws on research that has sought to link restructuring processes with CSR initiatives. Before outlining some of the empirical work on the link between CSR and restructuring, a brief review of CSR scholarship and its developments is outlined to provide an insight into some of the organisational drivers for CSR activity. In addressing the assumption within the literature that companies owe employees a responsibility during restructuring (Bergstrom, 2007, Bergstrom and Diedrich, 2006, Bergstrom and Diedrich, 2011) and to offer a guiding conceptual framework for action, the chapter ends by establishing four areas of

corporate responsibility. These are identified as *regulatory, procedural, communication and employment* responsibilities. This is based on a synthesis of a diverse range of literature – HRM, industrial relations, business ethics, management and CSR – where reference has been made to ways in which companies have a responsibility to employees when implementing restructuring processes.

## **Conceptualising responsible restructuring**

Before exploring how the process and practice of responsible restructuring have been understood in the literature, this section begins with some conceptual background. As stated earlier, taking a responsible approach to implementing restructuring has been proposed as a way that companies might ameliorate the negative effects experienced by employees as a result of such processes (Forde et al., 2009, Teague and Roche, 2014, EC, 2011). This approach has been described as ‘socially responsible restructuring’ (SRR) (Forde et al., 2009) and ‘responsible restructuring’ (Teague and Roche, 2014), though other research has also sought to establish a connection between restructuring processes and a company’s CSR initiatives without explicitly referencing either term (Rydell and Wigbald, 2011, Rydell and Wigbald, 2012, Ahlstrand, 2010, Makela and Nasi, 2010, Bergstrom and Diedrich, 2011, McMahon, 1999). The prevailing empirical research is discussed in detail later in the chapter.

An issue that must be acknowledged initially is the extent to which companies do have a both legal and normative responsibility to employees when conducting restructuring. As discussed in Chapter 1, in liberal market economies, such as the UK, restructuring is simply an accepted part of organisational life. As economic markets fluctuate, companies respond by cutting jobs (Mckinley et al., 2000). This is framed by relatively weak employment law around restructuring processes – Trade Union and Labour Relations (Consolidation) Act 1992 and its subsequent Amendment Order 2013 – that legislate minimum periods of consultation between employers and employee representatives, such as trade unions, along with statutory redundancy pay based on age and tenure<sup>2</sup>.

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<sup>2</sup> As of April 2015, statutory redundancy entitlements in the UK apply to employees who have been working for their current employer for at least two years. Entitlements are also dependant on age. For those under 22, individuals receive half a week’s pay for each full year under the age of 22. For those aged 22 – 41, individuals receive one week’s pay for each full year they were 22 or older but under 41. For those 41 and older, individuals receive one and half week’s pay for each full year they were 41 and older. Length of service is capped at 20 years and weekly pay is capped at £475. The maximum amount of statutory redundancy pay is capped at £14,250.

<sup>2</sup> For restructuring involving 20-99 redundancies the minimum consultation period with individuals and employee representatives is 30 days, and for 100+ redundancies 45 days.

Given the neoliberal economic, and weak legislative, context, why would companies demonstrate any responsibility towards employees beyond what is minimally required? Indeed, this is a criticism of research into ‘responsible’ forms of restructuring, as much of it is premised upon the assumption that companies do have a responsibility that extends beyond any legal or other regulatory requirements (Ahlstrand, 2010, Rydell and Wigbald, 2011, Rydell and Wigbald, 2012). This assumption is based on the notion that companies ‘have a moral obligation not to harm and that companies are not acting ethically if they ignore the impact of the restructuring and closedown on employees’ (Rydell and Wigbald, 2012: 144). Other research, however, has suggested the incompatibility between acting responsibly and conducting restructuring, as such a practice not always, but invariably, negatively impacts on the lives of employees (Long, 2012, Vuontisjärvi, 2013). Thus, there is an insufficient understanding of what types of responsibility companies owe when conducting a restructuring exercise. Whilst responsible restructuring has, then, been argued to be part of an ethical or moral imperative on behalf of the company, little is known about the types of responsibility that such a process would involve as it has typically been overlooked in the prevailing literature. In this sense, a goal of this thesis is to present a deeper, more nuanced understanding of the types of responsibility a company might perceive itself to have when conducting a restructuring exercise.

In terms of a definition of responsible restructuring, though, the two key proponents in the literature have different emphases. For Forde et al (2009: 7), ‘socially responsible restructuring’ involves a systemic approach to restructuring that ‘involves an anticipatory or forward-looking approach to restructuring, and on-going social dialogue and negotiation over the effects of restructuring’. In this sense, the authors argue that SRR is an approach that is not limited to the simple act of cutting jobs, but is preceded, and proceeded, by a range of on-going ‘responsible’ actions and measures designed to help employees prepare for the effects of restructuring. Forde et al (2009) refer to three phases – prior to announcement, announcement and consultation, and implementation of layoffs – whereby practices such as long-term investment in human capital, honest and open communication, engagement with stakeholders and provision of support services are recommended.

In contrast, Teague and Roche (2014) refer to ‘responsible restructuring’ as a bundle of HRM practices involving technical and behavioural measures. Put simply, technical HRM bundles refer to the numerical control – for example headcount reduction or removal of overtime pay –

of the company's finances when conducting restructuring. In terms of behavioural HRM bundles, measures seek to legitimise the restructuring through, for example, trade union engagement, or other communicatory practices that ultimately seek to maintain, or improve, the morale and commitment of the workforce during the process. One aim of such behavioural HRM bundles is to counteract the negative effects a company can experience because of survivor syndrome, as discussed in the Chapter 1, creating something of a business case for responsible restructuring (Sahdev, 2003, Brockner, 1988, Van Dierendonck and Jacobs, 2012). The impact that responsible restructuring can have on survivors was also analysed by Van Dierendonck and Jacobs (2012), arguing that the implementation of restructuring processes considered by the workforce to be fair and just can improve subsequent affective commitment – the emotional attachment, identification with and involvement with the organisation – post-restructuring. Thus, responsible restructuring is described by Teague and Roche (2014: 179) as being able to 'underpin the legitimacy and perceived fairness of management actions' that, ultimately, have negative effects on employees.

Within the literature on responsible approaches to restructuring, research has also focused more explicitly on the strategic implications of its implementation for management (Tsai and Shih, 2013b, Cascio, 2005, Schenkel and Teigland, 2016). This largely reflects the earlier work on more traditional, prescriptive approaches to restructuring whereby strategies were devised to ensure a 'successful' restructuring, meaning a restructuring that led to greater organisational performance through primarily cost-cutting measures such as redundancies. Although Teague and Roche (2014) highlight something akin to a business case for restructuring, a concern for the impact on employees is still evident. This is in comparison to research by Tsai and Chih (2013), in the Taiwanese context, and Schenkel and Teigland (2016) whereby responsible restructuring – the authors refer to the process as a 'responsible downsizing strategy' – may be conducted primarily to improve subsequent firm performance. Tsai and Chih (2013) suggest that given the equivocal successes of traditional approaches to restructuring, the implementation of a responsible approach may help solve this 'problem' of equivocality by focusing on the 'dynamic capabilities' of an organisation. That is, a firm's ability to adapt to rapidly changing environments through the reconfiguration of internal and external resources, in which employees are viewed as a resource to be developed rather than simply a cost to be cut (Tsai and Shih, 2013b, Cascio, 2012). A fuller discussion of the management literature on dynamic capabilities is outside the purview, nor indeed a goal of, this thesis. Though Tsai and Chih's (2013) and Schenkel and Teigland's (2016) research is predominantly managerialist in

its aim with little reflection on the how responsible restructuring may ameliorate the effects for employees, their work reflects the growing interest in the topic both empirically and conceptually.

Returning to Forde et al (2009) and Teague and Roche (2014), though, it is this line of work that proves most instructive in recent conceptualisations of responsible approaches to restructuring, especially in relation to the impact on affected employees. To capture the range of measures and actions that a responsible approach involves, this thesis adopts the term '*responsible restructuring*'. The reason for this is because Teague and Roche's (2014) work implies that, for companies, responsible restructuring involves a conceptualisation that is broader than Forde et al's (2009) reference to 'social' responsibility. References to the technical and behavioural bundles suggests that companies may understand their responsibility in spheres outside of what is considered 'social', such as their emphasis on controlling the costs and finance in a way responsible to the company's objectives. Furthermore, it is unclear what Forde et al (2009) mean by *social* responsibility as opposed to just responsibility, as little is done in their work to delineate practices specifically as social. For example, ensuring continued employability for affected employees may indeed be important socially – as explored in the previous chapter around occupational identity – but there are also more primarily economic, or material, imperatives for employees – such as maintaining an income – to find employment after being made redundant. Thus, the term responsible restructuring is used to embrace the variety of ways in which a company may understand its responsibility when conducting restructuring processes (Teague and Roche, 2014). Whilst this more contemporary theorisation of responsible restructuring is useful, the next section reviews earlier literature to understand in more depth how the notion of organisations acting responsibly during restructuring emerged.

## **Background to responsible restructuring**

Since the late 1970s, a growing number of academics, social activists, special interest groups and public policy analysts have sought to address the social and economic harm caused by restructuring (Bracker and Kinicki, 1988, Lansing and Van Buren, 1993, Millspaugh, 1990, Bluestone and Harrison, 1980). One of the earliest references of responsibility within debates around restructuring was that of Millspaugh (1990) into the ethics of manufacturing plant closures in America. In developing a model of what a responsible plant closure might entail, two points of action were proposed: that legislation be introduced to secure advanced notice

periods and severance pay, and public investigations examining companies' finances ahead of plant closure. In the UK context, the former point on legislation is reflected in – albeit minimally – by the Trade Union and Labour Relations (Consolidation) Act 1992, which outlines requirements for consultation periods and statutory redundancy pay. The second point was critiqued, however, by further proponents of responsible approaches to restructuring Lansing and Van Buren (1993), arguing that interrogation of a company's finances was not justified on the basis it would compromise the company's financial sensitivity and lead to lack of competitiveness within the associated business community. This argument from Lansing and Van Buren (1993) appears, though, largely in defence of a company's prerogative, suggesting that any notion of a responsible process is secondary to the overall financial and competitive status of the company. Nonetheless, this early work by Millsbaugh (1990) and Lansing and Van Buren (1993) initiated subsequent debates on the extent to which restructuring processes should be managed in a way to reduce the consequential social and economic harm.

A subsequent attempt to theorise a responsible approach to restructuring came from Van Buren's (2000) work into the link between business ethics and restructuring processes. The premise of this framework is based on the idea that responsible restructuring depends, in part, on the level of *bindingness* – i.e. the strength – of the social and psychological contracts at the workplace: that is, the unwritten agreements between employers and employees about their mutual expectations of how each should be treated within the employment relationship (Van Buren III, 2000, Cascio and Wynn, 2004). The level of bindingness creates, Van Buren (2000) argues, a moral expectation to which employers and employees must comply. Considering that restructuring processes are, typically, unilaterally imposed by employers, the breaking of social and psychological contracts is experienced disproportionately by employees. This has implications for the ways employees perceive the employment relationship, as providing an employee with notice of redundancy is arguably a denigration of the moral expectation created through the establishment of social and psychological contracts.

Though Van Buren's (2000) framework introduces the notion that responsible restructuring depends on the extent to which the employment relationship at a specific company is characterised by the strength of social and psychological contracts, measuring or defining such contracts remains ambiguous. Even still, Van Buren (2000) goes onto suggest that where there is a *prima facie* ethical case of conducting restructuring by a company, such contracts will not be destroyed. He argues that, where employees affected by restructuring observe a sufficient



downturn in profitability – referred to by Van Buren as a ‘declining resource munificence’ – they will accept the need to restructure and not perceive this as an attack on the social and psychological contracts established within their local, specific employment relationship. In retrospect this appears naïve, though, as recent work highlights that the majority of restructuring occurs as a result of poor economic climates, with managers typically framing the need to restructure as both an economic necessity and inevitability (Bonvin, 2007, Stroud and Fairbrother, 2012). Essentially, restructuring rarely occurs in situations where, using Van Buren’s terms, there is not a declining resource munificence. A useful distinction to emerge from Van Buren’s framework, then, is the difference between ethical or responsible *justifications for restructuring* as opposed to ethical and responsible *approaches to restructuring*. For example, if there are strong social and psychological contracts in place within the employment relationship and the need to restructure is accepted amongst the workforce due to a clear downturn in profitability, then the implementation of restructuring can be accepted. What is needed, though, is a clearer conception of what a responsible, or ethical, approach to restructuring might entail, to understand how companies may address the negative impact on employees.

Discussions around responsible forms of restructuring have gained considerable traction in the academic literature. In reviewing previous conceptualisations of what such a process might entail, it is necessary to look closer at the types of practices and processes involved. Thus, the next section builds on the earlier discussion of the work by Forde et al (2009) and Teague and Roche (2014) by focusing on the prevailing understanding of the practical implementation of responsible restructuring processes.

### **The practice and process of responsible restructuring**

Whilst there have been attempts to conceptualise responsible restructuring, relatively more is known about the practices it involves. As set out earlier, policy documentation from the EC and ILO propose a range of practices and measures that companies should adopt when seeking to conduct a responsible restructuring process. These include, though not exhaustive, measures such as: skills investment; counselling services; offering enhanced severance and early retirement packages; voluntary redundancy; promoting employability; fair and effective channels of communication; implementing alternative redeployment schemes; and enterprise start-up workshops (EC, 2011, Papadakis, 2010, Rogovsky et al., 2005, Auer, 2001). This

‘toolbox’ of practices, it is argued, offer companies ways in which they may conduct restructuring in a more responsible fashion, as there is a greater focus within these on addressing the impact restructuring has on employees. Rogovsky et al (2005: 17) suggest, however, that responsible restructuring practices should be implemented alongside an appreciation that there is a constant challenge for companies ‘to remain competitive and viable when minimising the social costs of enterprise restructuring.’ In this sense, responsible restructuring must address not only the effects on employees, but should involve efforts to improve the overall performance of the company.

Though there are a range of practices offered at policy level by the EC and ILO, one of the key challenges is in creating an overarching coordinating mechanism for the successful implementation of responsible restructuring (EC, 2011). That is, a way for companies to distil ostensibly disparate practices into an explicit responsible restructuring strategy. The Monitoring for Innovative Restructuring in Europe (MIRE, 2006) project, funded by the European Commission, attempted to outline a strategy for companies to adopt when seeking to implement what MIRE describe as ‘socially effective management of company restructuring’. The project proposes recommendations related to both the method of conducting responsible restructuring, along with the approach to be taken when implementing specific tools, practices and mechanisms. In terms of method, the project proposes that companies should: be *transparent* with stakeholders of the need to restructure to find early solutions; *negotiate* with actors to reach solutions; and ensure the process is as *inclusive* as possible by adopting a multi-stakeholder approach towards restructuring. In terms of the tools and mechanisms, MIRE proposes that: companies *anticipate* restructuring to address any time or resource issues that might arise; seek to *prevent* and limit the extent of the consequences by providing full and timely information to those affected; and *repair* any of the damages caused by restructuring such as support for employees and affected regions. The MIRE project usefully identifies broad categories – transparency, negotiation, inclusion and anticipation, prevention, repair – of actions within which companies can adopt responsible restructuring practices. For example, by suggesting that companies should repair the damage caused to employees, they may provide support for reskilling or retraining to help those affected obtain employment elsewhere post-restructuring. In this sense, the MIRE project is notable for addressing this lack of a coordinating mechanism for responsible restructuring.

The earlier discussion of bundles of HRM practice offer another attempt to develop a coherent responsible restructuring strategy that is briefly worth returning to (Teague and Roche, 2014, Subramony, 2009, Boselie et al., 2005). Emerging from the strategic HRM (SHRM) literature, bundles of HRM practice involve combining individual practices into specific bundles, whereby their complementarity, it is argued, subsequently create a synergistic effect thus contributing to improved organisational performance (Boselie et al., 2005, Subramony, 2009). In this sense, the individual ‘toolbox’ type practices outlined in previous work may be combined in a way that mutually reinforce not only each other as part of an explicit responsible restructuring strategy, but also in a way that addresses or improves issues related to organisational performance. It must be noted, however, that this thesis is not seeking to address the extent to which responsible restructuring can improve organisational performance *per se*, but rather to explore the possibility of such a process addressing the negative effects on employees. That said, it is important to acknowledge that work has been done to understand responsible restructuring within the strategic HRM literature (Teague and Roche, 2014).

The work by Teague and Roche (2014) – as discussed earlier as regards definitions – is a pivotal study in developing a responsible restructuring strategy as a bundle of HRM practices. Another important implication from this research is the role of HR. Though Forde et al (2009) emphasise that HR should adopt a more a social and ethical ‘stewardship’ role when conducting restructuring, Teague and Roche (2014) extend this by identifying the types of practices for HR to achieve this; such as the combination of different technical and behavioural practices that the authors suggest constitutes a responsible restructuring process. The role of HR in implementing responsible restructuring is, hence, a crucial one. Although as a distinct organisational function it does not necessarily, though does sometimes, make the decision to restructure, HR is typically tasked with its implementation (Teague and Roche, 2014, Forde et al., 2009, Cascio, 2005). In this sense, the implementation of responsible restructuring practices is, to a greater or lesser extent, designed and coordinated by HR. For HR, then, responsible restructuring may be viewed in terms of a strategic bundle of individual practices that can, if implemented successfully, lead to improved organisational performance. As noted by Teague and Roche (2014) above, responsible restructuring may have strategic appeal to HR given its potential to counteract the perceived negative effects associated with survivors’ syndrome.

Individual practices have been proposed in the academic and policy literatures whilst at the same time there have been calls to coordinate these into an explicit responsible restructuring

strategy. The question remains, though, as to what responsibilities companies have when implementing restructuring practices? The assumption is that companies have, what could be viewed as, a blanket responsibility towards employees when conducting restructuring, though some authors have recognised that this is a necessarily uncertain premise (Bergstrom, 2007, Bergstrom and Diedrich, 2006, Bergstrom and Diedrich, 2011). Whilst it is tempting to assume that because institutions such as the EC and ILO are rousing interest in responsible restructuring that companies will follow suit, this cannot be taken for granted and demands challenge. Indeed, and in this vain, the work by Forde et al (2009) is notable for acknowledging the gap between the rhetoric of responsible restructuring at policy and company level compared to the practical reality of such processes. Therefore, it is important to understand how companies view their responsibilities when conducting restructuring, as regards the specific practices that HR and management implement. Before outlining a conceptual framework for researching responsible restructuring, the next section explores the ways in which restructuring has been presented in the CSR and business ethics literature more specifically to provide a deep understanding of the notion of responsibility.

## **CSR and restructuring**

This section demonstrates the ways in which CSR and business ethics literature has proved consistent with the development of responsible restructuring research, reviewing the extent to which restructuring is linked, or can be, to an organisation's CSR agenda. Firstly, it must be noted that CSR initiatives clearly extend beyond the restructuring context. The intention here is to review the basic rationale for CSR, and how such a rationale can link to employment practices more broadly, before providing some empirical research that has sought to link CSR and restructuring explicitly. To offer a definition, CSR practice is said to encompass 'the economic, legal, ethical and discretionary [philanthropic] expectation that society has of organizations at a given point in time'. (Carroll, 1979: 500). That said, there is much debate over the definitional aspect to CSR, but it is this definition that is adopted for this thesis unless stated otherwise (Carroll, 1979, Carroll, 1999).

In presenting a basic understanding of CSR before its application to employment and restructuring practices, it is necessary to state what is known about CSR in practical terms. CSR activity typically involves acts such as corporations supporting local communities and campaigns, corporate philanthropy through engagement with charities and the voluntary sector

and the promotion of long-term environmental and economic sustainability (Carroll and Shabana, 2010, Crane et al., 2008). For example, the Enron scandal in 2001 – where senior executives accumulated significant debt having lied about the financial status of the company – and BP’s Gulf of Mexico oil spill in 2010 – where 4.9 million barrels of oil were leaked into the ocean, causing significant ecological damage – were perceived as a violation of the company’s social, economic and environmental responsibilities. Such violations are considered to be poor CSR activity. In comparison, companies like Ben and Jerry’s that use only fair trade ingredients in their ice cream production is deemed a positive example of CSR activity, as it indicates fair and ethical treatment of all the producers down the supply chain. The point here is not to evaluate the extent to which such types are responsible or not, but to demonstrate how CSR is practically understood within society. That is, CSR is typically viewed as organisations acting in accordance with society’s perceived expectations – do not spill large amounts of oil into the ocean, ensure ethical treatment of supply chains – and to show they are committed to betterment of those societies and communities in which they operate.

Whilst CSR is constructed as an approach or set of practices that demonstrates a company’s altruism or good-naturedness towards society, it is widely understood that there is typically a more prominent business case for conducting such activity (Campbell, 2007, Siltaoja, 2009). Key to CSR scholarship is the understanding that through companies acting responsibly there is also the opportunity to boost sales, competitiveness and shareholder through the social legitimisation attached to CSR activity in terms of an improved image or reputation within society (Crane et al., 2008, Costas and Kärreman, 2013). Put simply, ‘society’ – primarily referring to customers but also employees – perceives a company positively if it is conducting its business in a responsible way. This view of CSR is considered here as the orthodox position, as first set out by Milton Friedman, which emphasises that CSR may only be justified by its instrumentality to the company: that is, CSR is beneficial as long as it brings profit and value to the shareholders of a company (Friedman, 1962).

There have been developments within the CSR literature since Friedman, however, that argue for a more normative understanding of what CSR entails (Shaw, 2009, Carroll, 1999). This line of thinking emphasises the need for companies to uphold a moral and social consciousness that extends beyond an economic concern with profit-and-loss statements. Shaw’s (2009) work into Marxism and CSR argues this point, suggesting that CSR should be expanded as part of a more embedded fiduciary duty by companies. Usefully, Shaw (2009) argues that whilst the orthodox

view of CSR has focused on how CSR operates externally – community events, corporate philanthropy – a similar rationale should operate internally when managing employees; for example, when conducting restructuring processes.

Furthermore, other developments in CSR scholarship – though primarily in the North American context where it is more prominent – has proposed that companies may also be involved in the administration of certain rights, what has been termed ‘corporate citizenship’ (Matten and Crane, 2005, Moon et al., 2005). Matten and Crane’s (2005) theorisation of corporate citizenship refers to the company as a provider of social rights, an enabler of civil rights and a channel of political rights for individuals, offering them a ‘citizenship’ status. This might involve, for example, rights to healthcare or education, freedom from abuse and freedom of speech, and allowing individuals more active forms of political participation (Matten and Crane, 2005). Following this, work by Scherer and Palazzo (2011) argues that due to the blurring boundaries between public and private provision of goods and services, companies have taken on a more politicised role. The authors argue for a consideration of ‘political CSR’, whereby companies may contribute to broader global governance and regulation in the provision of goods and services (Scherer and Palazzo, 2011, Mäkinen and Kourula, 2012). This literature illustrates that there are more elaborate and extended forms of CSR activity being debated that go beyond the traditional Friedmanite school of thought. Put simply, whilst it may be established that companies engage in CSR activity to improve their economic or financial status, there are other roles for companies emerging social, moral and political lines. The next subsection looks at the ways in which the CSR rationale may apply to employment practices, with a specific focus on the research linking CSR and restructuring processes.

### ***CSR, employment practice and restructuring***

Resulting from a concern for global labour standards and working conditions, adopting a CSR approach to managing employment relations has assumed considerable significance in recent times (Marens, 2013, Shaw, 2009). Work by Shaw (2009) and Marens (2013) argues that historically there has been little substantive discussion as to how CSR initiatives and rationales can be applied to internal employment relations processes. For instance, examples of unethical practices in Nike’s sweatshop-like workplaces along with worker suicides at Apple manufacturer, Foxconn, in China have diverted attention towards how employment practices might be framed as a violation of a company’s CSR agenda. A more recent example from

Sports Direct in the UK, following a government investigation, has renewed calls for closer scrutiny on the responsibilities companies have towards their employees (BIS, 2016).

Following this, academic literature has begun to examine the ways in which actors in the employment relationship, such as HR and trade unions, might begin to engage with CSR initiatives (Preuss et al., 2014, de Gama et al., 2012, Preuss et al., 2009, Voegtlin and Greenwood, 2016; Harvey et al, 2017). Though a nascent area of research, Voegtlin and Greenwood's (2016) review article argues that HRM and CSR are mutually dependent, citing the ways in which it can be considered a means for ensuring the responsible management of employees, whilst emphasising the need for multiple external and internal stakeholder relationships between HR and other actors. The work by Preuss et al (2009) and Gold et al (2014) on trade unions policies towards CSR across Europe presents challenges and opportunities facing trade unions when engaging with CSR initiatives, though is subject to the national business contexts in which they operate. Notably, however, these authors contend that, despite a paucity of research, trade unions can play both an active and pivotal role in shaping the outcomes of CSR activity (Preuss et al., 2014, Preuss et al., 2009). Though these debates focus on the role of HR and trade unions in the conduct of CSR activity, the research has not addressed applications of this CSR rationale to specific employment practices (Devinney, 2009).

Thus, research has sought to substantiate the link between CSR and employment practices through an application to restructuring processes (Bonvin, 2007, Rydell and Wigbald, 2011, Rydell and Wigbald, 2012, Ahlstrand, 2010, Bergstrom, 2007, Bergstrom and Diedrich, 2011, Makela and Nasi, 2010). Rydell and Wigbald's (2011; 2012) research observes how companies in the Swedish automobile industry sought to implement, what the authors describe as, a 'CSR orientation' during the restructuring process. Although the authors do not explicitly define this, the CSR orientation was viewed as introducing a responsible approach to specific restructuring practices. For example, the implementation of long advance notice periods beyond the legal requirements and hiring temporary employees so that affected employees could have time off to find alternative work were viewed as key to this CSR orientation.

Though such research is constructive in illuminating how companies may adopt a CSR approach to restructuring, little is done to understand how unfavourable economic climates or

industrial relations may cause problems for a CSR approach. This point is emphasised in Bonvin's (2007) research into the Swiss metalworking sector, arguing that acting responsibly during restructuring is too dependent on the fluctuation of such climates. Bonvin (2007) proposes that any trust or goodwill of managers during restructuring should be complemented by regulatory and legal provisions that compel employers to act responsibly. Furthermore, though Rydell and Wigbald (2012: 155) state that 'it seems to be easier to create a good outcome with the CSR model during an upturn of the business cycle, since the labour market is more favourable for the workers at that time', thus failing to recognise the most basic managerial rationale for conducting restructuring: as a necessary response to declining, not upturns in, economic climates. Much of the literature that has addressed responsible restructuring has predominantly come from the Nordic context (Makela and Nasi, 2010, Rydell and Wigbald, 2011, Rydell and Wigbald, 2012, Bergstrom, 2007, Bergstrom and Diedrich, 2011). Given that the contemporary Nordic context is institutionally different to that of the UK – the former being a more coordinated market economy with relatively greater emphasis on labour-management partnership and more embedded forms of welfare provision and social support – responsible approaches to restructuring are likely to take different forms in different national and organisational regimes (Campbell, 2007, Matten and Moon, 2008).

It may be inferred, then, that introducing a CSR rationale to restructuring processes is a futile exercise. Given that restructuring typically happens in response to a poor economic climate, and CSR is only considered effective in more positive circumstance, what would incentivise a company to conduct responsible restructuring? More critical research by Bergstrom and Diedrich (2011) argues that any analysis of how CSR operates in practice – the authors' empirical context is a case of restructuring at a Swedish firm – must consider the extent to which companies actively shape and mobilise what it means to act responsibly. That is, companies may conduct CSR activity in such a way whereby they contribute to the construction of responsibility, therefore aligning stakeholders' expectations of responsibility with its own definition of such activity. This is an important point, as it suggests that CSR may be a way for companies to reinforce their powerful position over stakeholders, by essentially convincing stakeholders that it is the company's interpretation of CSR that is the most legitimate. Through constructing CSR on their own terms, companies can control what responsible activity involves and thus reap the associated benefits of being perceived in this way; such as an improved corporate image or reputation, which is suggestive of a more orthodox, instrumentalist approach to CSR. It follows, then, that a company may enact a responsible restructuring process



based on what *it* believes it to be responsible, as opposed to responding to the needs of what those most affected by such processes, employees, expect from such processes

### **Conceptualising responsible restructuring: categories of responsibility and a conceptual framework for action**

The burgeoning interest in responsible restructuring has prompted an understanding of how such processes may be implemented as part of a coordinated, coherent company strategy. In addressing the question as to what responsibility companies owe employees, this final section synthesises contributions from the HRM, industrial relations, CSR and business ethics literatures to conceptualise the ways corporate responsibility has been understood when conducting restructuring. The intention is to develop a framework that identifies *categories of responsibility* to explore the practice and process of responsible restructuring at SteelCo. These are identified as the *regulatory, procedural, communication* and *employment* responsibilities of companies. The framework highlights research that has proposed that, normatively speaking, companies *do* owe employees different types of responsibility during restructuring processes. The main themes of each category of responsibility are presented in Table 1, alongside key references from the literature. Thus, this section develops a conceptualisation of the ways responsibility within restructuring has been characterised by synthesising the extant literature on the topic. Each category of responsibility is discussed in turn, with links drawn between relevant literatures to locate how each type of responsibility has been understood in a restructuring context. Some clarification as to the relevance of the framework to the subsequent empirical chapters is also outlined in ending the chapter.

#### ***Regulatory responsibilities***

A primary responsibility of organisations conducting restructuring is compliance with the relevant national legislation and *regulatory* frameworks. For instance, in the European context EC Directive 98/59/EC on collective redundancies requires employers to inform and consult affected employees and their associated representatives, such as trade unions or works councils, along with guidelines as to the procedure of implementing restructuring. Arguably, compliance with the relevant legislation and regulations is *the least* employees might expect. In terms of framing this as a ‘responsibility’, though, research by Bonvin (2007) and Campbell (2007) into why organisations act responsibly demonstrates that legal compliance represents a minimum

**Table 1: Key themes and references for categories of responsible restructuring**

<b>Category of responsibility</b>	<b>Main themes</b>	<b>Key references</b>
<i>Regulatory</i>	Legal compliance Institutional differences Going 'beyond' legal requirements	Campbell (2007), Stuart et al (2007), Matten and Moon (2008), Wass (1996), Ahlstrand (2010)
<i>Procedural</i>	Developing formal strategies Implementing practices Procedural justice	Cameron (1994), Cascio (2005), Rydell and Wigbald (2011; 2012), Pfeifer (2007), Van Dierendonck and Jacobs (2012), Forde et al (2009)
<i>Communication</i>	Interpersonal communication Stakeholder engagement, social dialogue Informational justice	Hopkins and Hopkins (1999), Greenwood (2007), Sterngard et al (2015), Kim (2009), Papadakis (2010), Forde et al (2009), Tsai and Chih (2013a)
<i>Employment</i>	Avoiding unemployment Internal redeployment Employability services	Dobbins et al (2014), Kieselbach and Mader (2002), Doherty (1998), Greenwood and Randle (2007), Stuart and Wallis (2007)

behavioural standard for all responsible corporate activity. If an organisation intends to be perceived as responsible, complying with law is the essential means of achieving that perception among stakeholders (Campbell, 2007). For a responsible restructuring process to exist, Bonvin (2007) argues that legal provisions in this area are necessary in order to counteract the dominant position of the employer.

It is axiomatic in the CSR literature that what is considered responsible in one organisational or institutional context is not necessarily so in another (Campbell, 2007, Matten and Moon, 2008, Bergstrom, 2007). In their review of collective redundancy and restructuring processes across the EU, Stuart et al's (2007) work into the European Globalisation Adjustment Fund (EGF) illustrates the variety of regulations within member states with regards to length of consultation periods and the extent of engagement with other social actors such as governments and employee associations. For example, beyond the EC directive requiring minimal levels of regulation, countries such as Austria, France, Germany and Spain require organisations to detail a 'social plan', typically presented to the relevant government body, which outlines the measures planned to mitigate the consequences of restructuring for affected employees.

Further, work by Matten and Moon (2008) illustrates the way in which responsible activity may be characterised as either ‘explicit’ or ‘implicit’. Explicit refers to circumstances wherein there is a lack of regulations, norms and values around CSR activity that therefore allow organisations space to promote responsible behaviour. Implicit refers to regulations, norms and values being embedded within specific organisational and institutional contexts. In countries where detailed social plans are the norm, for example, the notion of responsible restructuring may already be implicit in the way such processes are conducted. Therefore, in these contexts it may prove difficult for organisations to promote an explicit responsible approach to restructuring. In contexts where notions of responsible restructuring are arguably more implicit, organisations risk being viewed as irresponsible if they fail to comply with those regulations and norms embedded in specific organisations or institutions.

There are empirical instances in the literature where corporations have demonstrated responsibility during restructuring by emphasising their adherence to legal or regulatory requirements (Ahlstrand, 2010, Makela and Nasi, 2010, Bonvin, 2007, Forde et al., 2009). That is, where companies claim to have ‘gone beyond’ the law. Research by Ahlstrand (2010) into the responsible approach taken by Ericsson Telecom in Sweden suggests that surpassing and extending legal requirements can lead to positive perceptions of the restructuring organisation among stakeholders and the public. To offer an example, a long-standing feature of restructuring in the UK steel industry is firms offering affected employees enhanced severance packages above statutory level, along with cutting the jobs of older workers willing to leave through securing voluntary redundancy and early retirement agreements (Casey, 1992, Schröder et al., 2014, Wass, 1996, Gardiner et al., 2007). This has typically been viewed as a responsible approach to managing and implementing restructuring processes, as it allows affected employees the choice of leaving ‘voluntarily’ – that is, through their own free will – and with a more generous severance package. Thus, the way organisations frame their legal and regulatory requirements as part of a responsible approach to restructuring has become an increasingly relevant tenet in the development of responsible restructuring.

### ***Procedural responsibilities***

As mentioned earlier, attempts have been made in the literature to set prescriptive strategies and procedures for the implementation of successful restructuring (Cameron, 1994, Cascio and Wynn, 2004). This line of research argues for organisations to implement restructuring through

formal procedures, detailing the specific practices conducive to a successful process. Similarly with responsible restructuring, whereby strategies and frameworks have been developed for organisations to adopt and reflect on the extent to which their restructuring processes may be conducted responsibly (Forde et al., 2009, Cascio, 2005, Rydell and Wigbald, 2011, Rydell and Wigbald, 2012). In this sense, research into responsible approaches to restructuring has sought to formally document procedures to ensure its implementation, responding to calls, in the European context at least, for the development of mechanisms through which such processes may be more explicitly coordinated (EC, 2011).

As noted above, Forde et al (2009) offer a framework that identifies three critical phases for corporations to consider, highlighting a temporal dimension to restructuring that emphasises the importance of anticipating the implementation of such processes: prior to the announcement of layoffs; the announcement of layoffs and consultation process; and the implementation of layoffs. There are specific ‘responsible’ practices associated with each phase, which are detailed by the authors. Further research by Rydell and Wigbald (2011; 2012) into the Swedish automobile industry proposes a model linking restructuring practice with an organisation’s CSR strategy, arguing that they should implement certain practices to benefit employees, such as extended notice periods that provide employees more time to adjust to the impact of restructuring. The research by Forde et al (2009) and Rydell and Wigbald (2011; 2012) highlights the growing need for organisations to implement formal strategies and procedures that reflect a responsible approach to restructuring. Following Tsai and Chih (2013b) in the Taiwanese context, this raises the issue as to the ways that a responsible approach to restructuring is distinct from generic, traditional forms of restructuring where certain ‘responsible’ practices are not implemented. That is, what is new, or different, about the implementation of a *responsible* restructuring process? Determining the extent to which the implementation of responsible restructuring reflects a genuine change in organisational practice is thus an important avenue of investigation in the conceptual and empirical development of the topic.

The need for organisations to demonstrate a *procedural* responsibility also relates to the nature of procedural justice when implementing restructuring. Those involved in restructuring, such as employees and related stakeholders, are likely to view the implementation of the process as fair and equitable if it is perceived to have followed certain procedures (Hopkins and Hopkins, 1999, Kieselbach and Mader, 2008, Pfeifer, 2007, Kim, 2009, Greenberg, 1987, Van

Dierendonck and Jacobs, 2012). If affected employees view selection criteria and compensation to be fair and just, then the process may be perceived as being implemented in a responsible way. Furthermore, while procedural justice may be important for those directly affected, it has also been argued as a way to counteract the negative effects of ‘survivors’ syndrome’ (Sahdev, 2003, Teague and Roche, 2014, Van Dierendonck and Jacobs, 2012). Survivors’ syndrome is a term from the HRM literature that refers to the negative work-related attitudes, such as feelings of insecurity and reduced morale, that those who remain in organisations post-restructure may experience. A meta-analysis of the relevant literatures by Van Dierendonck and Jacobs (2012) asserts that a restructuring procedure that is perceived by the workforce as fair and just can improve affective commitment, and thus organisational performance, among survivors. Therefore, ensuring that restructuring follows fair, just and equitable procedures is a responsibility organisations owe not only to those directly affected (‘victims’), but also to the survivors of restructuring. The latter of which may bring a strategic benefit, given the potential for a responsible process to minimise the effects of survivors’ syndrome and improve the morale and commitment of the post-restructuring workforce.

### ***Communication responsibilities***

Informing, and effectively communicating with, employees during restructuring has proved an important tenet in the debates related to responsible restructuring (Papadakis, 2010, Forde et al., 2009). Although consultation periods induce communication between actors – as outlined in EC directives and national legislation – responsible restructuring is arguably more concerned with the extent to which organisations engage with employees on an interpersonal level throughout the process. For example, this may involve allowing employees opportunities to question the restructuring decision and vent grievances about their personal circumstances, and in providing updates on the progress of the process from human resource or senior managers. Furthermore, depending on the specific organisational context, management may engage, for example, in collective bargaining processes with trade unions, and make use of the channels of communication that unions have established with the workforce (Tsai and Shih, 2013a, Forde et al., 2009). In this sense, there are a variety of ways through which organisations engage with employees to demonstrate their communication responsibilities.

Corporations not implementing fair and effective communication practices face the risk of being perceived as irresponsible or unethical by employees (Hopkins and Hopkins, 1999,

Stengård et al., 2015, Kim, 2009). Stengård et al (2015) and Kim (2009) argue that employees who perceive communicatory practices as fair during restructuring are more likely to report higher well-being and positive attitudes towards the restructuring organisation. This has been subsequently framed as organisations providing informational justice to affected employees, as the incidence of honest communication can reduce the negative impact of restructuring (Kim, 2009, Stengård et al., 2015). Furthermore, this may be strategically beneficial to the maintenance of a positive employment relationship post-restructuring, as with procedural justice, whereby survivors view the organisation in a less unfavourable way. Given that a central goal of responsible restructuring is to ameliorate the negative effects on employees, establishing adequate channels of communication is considered an important means through which the concerns of employees can be addressed.

Although corporations may initiate formal channels of communication, through human resource or senior managers, which are designed to address the concerns of employees, this may fail to acknowledge the role other actors play in augmenting such practices (MacKenzie and Martinez Lucio, 2005, MacKenzie et al., 2006, Bruggeman, 2008). Modes of communication exist outside of these formal channels; as related stakeholders may also contribute to the delivery of information to employees during restructuring. Where trade unions are present, for instance, they may offer a source of support and guidance for employees, as with communication between the workforce in sharing their experiences of restructuring, thus benefiting the well-being of employees (Kirov and Thill, 2015, MacKenzie et al., 2006, Garaudel et al., 2008, Tsai and Shih, 2013a). Organisations may choose to engage with related actors, and stakeholders, outside of the formal channels of communication to reduce the perceived one-sidedness of the restructuring process. Indeed, research by Forde et al (2009) into responsible approaches to restructuring define the process as one that engages with a broad range of stakeholders.

The issue of communication also extends to how organisations engage with relevant stakeholders when conducting restructuring. The assumption, however, that stakeholder engagement necessarily leads to more responsible corporate behaviour has been challenged within the broader business ethics literature in non-restructuring contexts (Greenwood, 2007, Mitchell et al., 1997, Pacquard, 2008). This is not to suggest that responsible restructuring should not involve engagement of stakeholders, but that further exploration of the form and character of stakeholder engagement when implementing a restructuring process is necessary.

Following the work of Mitchell et al (1997), a task for corporations seeking to engage with stakeholders is to assess their salience: that is, what is each stakeholders' relative power, urgency and legitimacy to the organisation when implementing restructuring, as discussed in Chapter 2. As an example, social dialogue in the European context has proved the most productive form of communication as regards responsible restructuring, where concluding agreements between employer and employee associations are proposed as a way to codify such processes (EU, 2015, CEMR-EPSU, 2012, EC, 2011, Papadakis, 2010). Although social dialogue is not exclusive to restructuring and refers to broader discussions, consultations, negotiations and joint actions over a range of employment issues, it highlights an example of the salience of employee associations, as a key stakeholder, to the implementation of restructuring process (Tsai and Shih, 2013a).

While developments have taken place at supra-national level to coordinate responsible restructuring, little is known about the nature of stakeholder engagement at the micro-level of the organisation. That is, whether the involvement of a broad range of stakeholders during restructuring necessarily results in a more responsible outcome for those affected. Despite social dialogue helping to establish responsible restructuring processes in the European context, less is known about how organisations demonstrate their communication responsibilities with stakeholders and employees in the absence of such agreements. Although a body of research has explored the role of stakeholders in relation to CSR activity, there is a lack of explicit application to empirical instances of restructuring (Campbell, 2007, Garriga and Mele, 2004, Agle et al., 1999, Mitchell et al., 1997). If stakeholder engagement is to be considered a characteristic of responsible restructuring, as pointed to within the literature, then a more nuanced understanding of how this operates in restructuring contexts is required.

### ***Employment responsibilities***

Arguably one of the most prominent responsibilities that organisations owe employees during restructuring is rooted in the implementation of measures that seek to ensure continued employment for those adversely affected. This has been the priority at policy level, especially in debates within the EC and ILO, as a key aim of responsible restructuring processes is to aid affected employees back into employment through reskilling, retraining and other outplacement services (EC, 2011, Kieselbach and Mader, 2008, Rogovsky et al., 2005, Stuart et al., 2007). The primary goal is preventing unemployment for those affected. Given that

ultimately it is the organisation's unilateral decision to restructure that leads employees to lose their jobs and seek alternative employment, there is an ethical responsibility placed on organisations to encourage the workforce to be proactive about their careers post-restructuring (Gardiner et al., 2007, Gardiner et al., 2009, Pacquard, 2008). Indeed, the loss of employment is, arguably, the biggest consequence for those affected, in both social and material terms due to the impact on occupational identity and income.

A means through which organisations have sought to enact their employment responsibilities is by providing alternative employment to affected employees through internal redeployment. That is, although an employee's immediate job is redundant, the employee may move to a new, vacant role elsewhere in the organisation. Indeed, among the toolboxes of responsible restructuring practice, offering internal redeployment is typically the first action proposed. The assumption here is that if employees are placed into suitable alternative employment – i.e. alternative employment consistent with their skillset and competencies – then the organisation has acted responsibly as they have helped employees avoid unemployment. Therefore, organisations that redeploy affected employees internally may be perceived as acting responsibly. This is common practice in many industries, such as in the UK steel industry where research into restructuring has been extensive, although the extent to which employees perceive redeployment as genuinely suitable remains less clear (Stuart and Perrett, 2004, Stuart and Wallis, 2007, Forde et al., 2009).

Another way in which corporations seek to aid affected employees is through the provision of employability services. These types of practices were outlined earlier, but to reiterate may include the provision of outplacement support, reskilling and retraining opportunities, enterprise start up workshops along with more basic services related to CV writing and interview training (Dobbins et al., 2014, Greenwood and Randle, 2007, Kieselbach and Mader, 2008, Doherty, 1998; Forde et al, 2009). Organisations may draw on support from different institutions, such as external skills and training agencies or government bodies. Work by Kieselbach and Mader (2002) sought to formulate an integrated European model of outplacement, aiming to support affected employees in coping with re-entering the labour market following restructuring. The provision of such support has, however, received criticism on the basis that reskilling and retraining opportunities have represented a mismatch with the needs of the local economy, and that it does not necessarily lead to improved employment prospects for those affected (Dobbins et al., 2014, Stuart and Wallis, 2007). Nonetheless, the



emphasis within the academic and policy milieu on the prevention of unemployment following restructuring suggests that this is a crucial area of exploration for understanding responsible restructuring, and the implications of the actions taken by organisations when addressing the ethical dimension of restructuring.

A note must be made here regarding the purpose of this framework to the overall thesis. The preceding exposition of categories of responsibility for organisations implementing responsible restructuring processes is adopted as a means of framing the findings in the proceeding empirical chapters. The themes and categories in the conceptual framework presented in this chapter order the subsequent empirical analysis, aiding understanding around the strategic rationale for the types of restructuring practices and processes identified in the case study of SteelCo's SRR process. That is, how did the implementation of certain practices reflect the prevailing understanding on what constitutes responsibility during a restructuring process. Whilst these are presented as discrete categories for analytical ease here, in reality practices and processes overlap and relate to more than one category of responsibility. The involvement of trade unions in restructuring processes can, for example, compel organisations to comply with legislation whilst also negotiating with management over the procedural aspects of the process. Furthermore, organisations engaging in dialogue over restructuring process with relevant stakeholders may act as to way to demonstrate fair and transparent communication and as a means to access different forms of institutional support for affected employees. The analysis in Chapters 5, 6, 7 and 8 thus focus on both the discrete and relational nature of certain practices, iterating between the SteelCo case and the themes identified in the conceptual framework. The discussion in the concluding sections of the empirical chapters highlights tensions between groups of participants in implementing a responsible restructuring process, demonstrating the potential challenges faced by organisations when pursuing a responsible restructuring strategy.

This chapter has presented a review of the current debates around responsible approaches to restructuring. Both the theory and practice have been outlined, and a conceptual framework has been developed. The conceptual framework serves two purposes, synthesising contributions in the literature as to the ways that organisations have understood the implementation of responsible approaches to restructuring, and to provide a framework for action for the subsequent research. The next chapter develops this latter purpose in more detail,

along with the methodological approach adopted in this researching responsible restructuring in this thesis.

## **Chapter 4: Researching restructuring: method and practice**

The empirical findings of this thesis are based on a qualitative case study of SteelCo's self-described responsible restructuring process. Within the overarching case study, data were collected from 59 semi-structured qualitative interviews with human resource managers, senior management, union officials and employees from SteelCo, along with other relevant stakeholders involved in the implementation of its SRR process. Interview data were reinforced through 150 hours of non-participant observation due to extended time spent at the SteelCo plant. This non-participant observation, along with the collection of supplementary materials and documentation from the restructuring process, was a methodological strength of the research. The chapter explains the use of these methods and why they were appropriate for the study of responsible restructuring.

Though a more detailed discussion of the empirical context is explained in the next chapter, it is worth outlining a few salient contextual points about the SteelCo case. The research followed two bouts of restructuring implemented by SteelCo between 2010-2015, referred to as PA and P2P, respectively. Taken together, 1700 jobs were cut during this period, though 1200 of these were announced as part of the PA process that involved the closure of a whole mill at the SteelCo plant. For many respondents, the P2P process was viewed as a residual process from PA as the economic climate that induced the SteelCo restructuring had not improved. Though this research does not address the drivers for the restructuring as such, the UK steel industry faced problems related to global oversupply of steel production, unfavourable business and energy rates domestically, and increased competition from its European counterparts. This economic context is explained in more detail in the next chapter. The research was conducted between 2014-15, following the end stages of the PA process and the beginning of P2P. The interest in the SteelCo restructuring process came as a result of its description of its process as being 'socially responsible', which was communicated in company documentation, and through the HR team being awarded an internal CEO prize for their efforts in delivering the process. Such claims are of inherent interest for those wishing to learn something more about responsible restructuring, and given the paucity of studies explicitly addressing the topic the SteelCo case provided an opportunity to explore the rationale, processes, practices, interactions and dynamics in implementing such processes.

This chapter is structured as follows. First, the realist philosophical perspective adopted in this thesis is explained, borrowing ideas from Elder Vass (2012) on the compatibility between realist thought and social constructionism. This is followed by a discussion as to why a quantitative approach was rejected, before explaining the justification for the use of a single case study. Data collection and analysis stages are then presented, highlighting issues with organisational gatekeepers and the sampling method, whilst emphasising the necessarily iterative approach taken in this research (Tracy, 2013). The chapter ends with ethical considerations and concluding remarks.

### **Philosophical assumptions**

Central to designing research is the adoption of a philosophical perspective that reflects one's view of the social world under investigation hence guides the research process itself. The 'social' world is distinct from the 'natural' world (which refers to physical, chemical or biological entities that are the subject of study in the natural sciences) and is constituted by the actions and interactions of sentient human beings within a society. One's view of the social world influences how research is conducted in terms of the way data are collected, interpreted and analysed (Easterby-Smith et al., 2012, McLachlan and Garcia, 2015). Not only should there be consistency between the research philosophy and methods adopted, but the philosophical perspective, involving beliefs about ontology and epistemology, should be appropriate to the research question being investigated.

This thesis is based on realist philosophical assumptions, whereby a mind-independent reality is believed to exist, though it is only through our own personal, interpretative schemas that this reality can be accessed (Blaikie, 2000, Sayer, 1992). In this sense, a realist approach is sensitive to the role of individual subjective consciousness when describing accounts and experiences of the social world, but stresses the way such accounts and experiences are contingently shaped by concrete and material contexts. Furthermore, this stance proposes that although the way we think, act and communicate about the social world affects the way that the world *is*, it is not irreducible to such thoughts, actions and communications as it remains firmly rooted in material existence (Elder-Vass, 2012, Sayer 1992). The approach adopted in this thesis therefore views the social world as not merely a product of the thoughts and perceptions of individuals, or the research participants. A realist approach recognises that mental constructions are always conceptually mediated by a range of structural, material and cultural

contexts. For instance, whilst the strategic imperative for restructuring and consequent redundancy is generally constructed through a set of organisational or managerial ideas, it is also more than this as it has a social and material expression in the form of, often, profound negative effects for affected employees.

Whilst a realist approach is adopted in this thesis, an explicitly critical realist approach is rejected despite drawing on ideas from critical realist scholars. There are essential consistencies between the two approaches, however, primarily in the way that a mind independent reality can only be accessed through individual subjective consciousness which is shaped by a range of contexts, as discussed above. Given that critical realism is perceived as a middle ground between extreme positivism and extreme social constructionism, adoption of such an approach is seductive for researchers. It is suggested, though, that its methodological application be treated with caution (Brown, 2014, McLachlan and Garcia, 2015, Fine, 2004) Furthermore, scholarly debates around different philosophical and methodological perspectives have highlighted that the critical realist approach is unconvincingly distinct, or novel, in relation to earlier realist or Marxist approaches (Brown et al, 2002, Callinicos, 2007). For example, the process of *abduction* within critical realism does not seem to fundamentally vary from the Marxist process of *abstraction*, as a form of analytical generalisation from social and material situations. Critical realist approaches are also criticised for ascribing unnecessary labels and categorisations to data, whereby there is an emphasis on describing aspects of data in relation to a specifically critical realist vocabulary that arguably can obfuscate research findings (Callinicos, 2007).

Following this, the prescription of notions such as entities, emergence, stratification and mechanisms as categories of analysis, it is argued here, are rigid, and skew the nature of the research towards an obligation to analyse data in correspondence with such categories. Put simply, there is a sense that insights from research projects may be undermined if they are not structured and presented in a manner consistent with specifically critical realist criteria. That said, recent scholarship has attempted to provide a more practical application of critical realist approaches to studying organisations, noting that applied critical realism is an underdeveloped area (Edwards et al, 2014; Fleetwood and Ackroyd, 2004). Given the perceived constraints of conforming to potentially prescriptive criteria and terminology, critical realism was considered an inappropriate research strategy to adopt in this thesis. Such constraints were deemed problematic due to the essentially inductive, exploratory approach necessary to research a

nascent topic such as responsible restructuring, for which a realist approach was deemed sufficient.

To elaborate on the realist ontology adopted in this thesis then, social structures such as companies, trade unions and governments – and the norms and customs associated with them – are considered to exist independently of our knowledge of them. Of course, this is not to suggest that these social structures have always existed and were established through some ‘mystical process’ (Elder-Vass, 2012), though their existence does predate our knowledge of them. The important point to consider is that social structures are constituted through the interactions of human beings and thus contain causal powers, as it these interactions that produce a real, material impact on individuals. Effects such as loss of income from being made redundant, the subsequent need to renegotiate one’s career and the impact on personal and occupational identity all have real social and material consequences that cannot simply be ‘wished’ away (Elder-Vass, 2012, Fleetwood, 2005, Berger and Luckmann, 1966). Following Fleetwood (2005:201), the experience of restructuring and the redundancy – though referred more generally to ‘becoming unemployed’ – has a ‘socially real’ effect as the process compels employees to respond to its social and material impact; regardless of whether that impact is perceived positively or negatively by employees. At SteelCo, employees lost their jobs, suffered negative effects on their health and well-being and lost close social and personal networks developed through their identity as a steelworker. Such structural and cultural contexts cannot simply be reduced to a mere construction in the minds of individuals, which extreme social constructionists may suggest, as the pressures associated with this reality necessarily required a response to the social and material changes initiated by the onset of the restructuring and redundancy processes.

This is not to suggest, however, that all employees are helpless in the face of restructuring processes. Indeed, debates around the relationship between structure and agency highlight the crucial role that human agency plays in contributing to and operating within social structures (Benton and Craib, 2010). There is thus a commitment made in realist approaches to the way that social structures are causally efficacious as they can both enable and constrain the actions of individuals. What is relevant here, is that although restructuring has social and material consequences for employees, they maintain the ability to respond, through their own human agency, in ways that can improve or ameliorate the negative effects associated with restructuring. Moreover, organisations – as social structures – through, for example, their

institutional arrangements and power structures may also have the capacity to implement a process that facilitates this human agency.

In developing the interplay between structure and agency in a restructuring and redundancy context further, research by MacKenzie et al (2006) and Gardiner et al (2009) highlights the way that the broader structural and cultural contexts interact with individual human agency. At the point of redundancy, affected employees faced structural contexts that involved the availability of opportunities in the local labour market, access to career and support services and the provision of redundancy and pension payments. In addition, cultural contexts such as trade union membership, correspondence between personal and occupational identities and familial responsibilities can also shape the ability of employees to respond to the onset of restructuring and redundancy processes. Notably, Gardiner et al (2009) argue that certain dimensions of agency, for example the historic experiences of individuals and their orientations and preparedness to career changes, can be facilitative or transformative for affected employees in a context of restructuring.

What is key to this thesis, however, is that an employee's ability to respond cannot be removed from prevailing structural contexts. In the context of responsible restructuring, then, organisations may arguably enable or constrain greater exercise of human agency through the implementation of certain practices that aim to ameliorate the impact of restructuring and redundancy. This might include increased access to support and retraining services, the provision of severance packages or redeployment opportunities, but again depends on the extent to which employees are able, based on whether their agency is enabled or constrained by structural or cultural contexts, to engage and benefit from the implementation of such practices. Thus, this thesis focuses on the identification of a range of contingencies pertinent not only to SteelCo's implementation of a responsible restructuring process, but provides an analysis of the factors that influence affected employees' responses to, and perceptions of, an explicitly *responsible* process.

Alongside the ontological concerns of this research, sit those of epistemology that deals with what can be constituted as warranted knowledge from the social world previously described. The epistemological stance adopted in this thesis reflects a realist position. This recognises that there is likely to be multiple interpretations – i.e. knowledge – from individuals of the same social phenomena, given the sensitivity to an individual's subjectivity when analysing

participants' accounts. Qualitative interviews with participants about restructuring yielded a range of different meanings that they attached to the experience of the process that constituted the knowledge used for the subsequent analysis. This knowledge, then, is not objective in the sense of natural science, as the experiences of employees subject to restructuring does not exist independently from their own consciousness, but rather is shaped by a complex range of personal schemata (Gill and Johnson, 2002, Sayer, 1992). This thesis eschews any notion of positivism thus, as it is considered futile to attempt to neutrally or 'objectively' observe a responsible restructuring process without understanding how this social reality is necessarily influenced by the concept-dependent nature of one's beliefs.

Although individuals may be justified in holding certain beliefs – such as an employee feeling aggrieved towards management following redundancy – the task of the researcher is to assess the nature and credibility of such beliefs within the particular social context. Indeed, a key tenet of realist philosophy is that all knowledge is fallible, thus encouraging a cautious approach to analysing individual accounts (Elder-Vass, 2012). This caution is primarily exercised by placing individual accounts within their broader social context, whilst also recognising the potential frailty within an individual's beliefs and interpretations of the social world. Given the context under investigation is SteelCo's restructuring process, accounts from HR representatives, trade unions and employees at SteelCo are credible but tendentious sources of knowledge, as they operated within the social environment of restructuring processes in the steel industry and within particular ideological predilections. However, they would not be a credible source of knowledge if they were interviewed, for instance, about the state of the academic labour market for newly qualified doctoral students. As outlined above, though explicating one's research philosophy is required, the act of conducting research is necessarily a practical and indeed ethical matter. The remainder of this chapter draws upon this discussion of the philosophical perspective, with the next section focusing on the specific methods used in this thesis.

## **Research methods**

The primary research strategy in this thesis is a qualitative case study of SteelCo's restructuring process claimed by management to be 'socially responsible'. Case studies act as an overarching research strategy, which is constituted by various data collection methods such as qualitative interviews, non-participant observation and other supplementary material (Stake, 2008, Hamel



et al., 1993). This section addresses the nature of case study research and how the different methods were understood and applied when researching restructuring at SteelCo. Before outlining the case study strategy, it is worth outlining why a quantitative approach was rejected in favour of qualitative methods.

Given the thesis explores whether employment restructuring can be responsible, developing knowledge about responsible restructuring demands an understanding of the organisational dynamics of the restructuring process. For example, gaining insight into the interactions between HR, unions and management, the wider social and economic contexts that shape the implementation of restructuring, SteelCo's rationale for initiating responsible restructuring, the nature of responsibility in such processes and, importantly, the experiences of those employees affected are necessarily enriched through a qualitative approach. Quantitative data and analysis is important for understanding overarching processes within industrial restructuring, for example, reporting on the numerical frequency or incidence of responsible practices as stated in EC or ILO documentation, or using the prescriptive, checklist approach to 'measure' responsible restructuring as in previous research on the topic. Such data cannot address the research aims of this thesis and does not provide substantial insight and knowledge of the realities and efficacy of the complex social processes and practices involved in the implementation of responsible restructuring processes. Such practices involve for instance, whether the implementation of such practices ameliorated the impact of restructuring and redundancy on affected employees, or how responsibility is understood by different actors involved in the process. Thus, qualitative methods are used in this thesis to gain the insight required to make a worthwhile and novel contribution, both conceptually and empirically, to the topic of responsible restructuring. The relevance of adopting a qualitative approach is further referenced in the rest of the chapter. The next sections discuss the specific research methods.

### ***Case study strategy***

The case study strategy used in this thesis addressed the restructuring process that exists in a concrete organisational situation (Hamel et al., 1993, Stake, 2008). Moreover, Hamel et al (1993) note that the suitability of a case study approach should, of course, be assessed against the aims of the research. As stated in Chapter 1, the prime objective of the thesis is to explore the implementation of responsible restructuring, with one of the key aims to understand how

SteelCo sought to address the impact of restructuring and redundancy on affected employees through its responsible process. As outlined in Chapter 5, SteelCo conducted a restructuring process that it claimed to be ‘socially responsible’. Thus, given the objective, and stated aims, of this thesis, SteelCo is a suitable case in which to learn more about the topic of responsible restructuring. Furthermore, the case study of SteelCo was embedded within the broader social and economic context of responsible restructuring; that is, the concern at institutional level for the need to ameliorate the negative effects of restructuring, on employees, that have resulted from the changes in global trade patterns (EC, 2011).

Case studies offer ‘thick description’ of real-life phenomena, and the qualitative approach adopted in this thesis provided a rich understanding of the topic of responsible restructuring, as mentioned above (Stake, 2008). In achieving this, Stake (2008) notes that case study design is typically characterised by researchers: spending extended time on the case study location; being personally in contact with the activities and operations of the case; and reflecting and revising descriptions and meanings in order to understand what is actually going on. This was achieved when researching the restructuring process at SteelCo in several ways. Access to the SteelCo site was afforded through HR and union gatekeepers as and when was required, which allowed a level of familiarity with the environment to be established through personal relationships with participants. Further, this was supplemented by attending meetings between HR, unions and management during the actual implementation of the restructuring process. There was, then, an element of being *in situ* during the SteelCo restructuring that resulted in a less diluted account of the implementation of the responsible restructuring process.

This is not to say that participants spoke as though a researcher were not present – this influence was unable to be controlled for – but real-life conversations between HR, unions, management and employees within the concrete organisational context were observed through attendance at such meetings and events organised at the SteelCo plant. Thus, the extent to which they were a genuine reflection of ‘reality’ gained greater credibility due to the extended time spent at the SteelCo site, which was a methodological strength of the research. The case study benefited from a level of trust between the researcher and the researched that would not have arisen were it not for the qualitative approach taken. Sampling and gatekeeper issues are addressed in more detail below. The next section develops the justification for the use of a case study strategy and the extent to which knowledge obtained in this way is generalisable beyond the immediate case.

### ***Case studies and generalisability***

The case study strategy, especially the use of a single case, has attracted criticism based on a perceived lack of generalisability. In particular, using quantitative criteria to make judgements about the credibility of qualitative research leads to claims that scientific theories cannot be developed based on the narrow focus and applicability of the findings from single cases (Flyvbjerg, 2006, Silverman, 2014). The argument here is that it is inappropriate to judge single qualitative case studies by quantitative criteria, such as with the enumeration of statistical frequencies, or that more cases necessarily implies greater generalisability. Flyvberg (2006) highlights misunderstandings about the use of case studies, arguing that the richer, context-dependent knowledge obtained from studying single cases allows for a depth of focus on the topic under investigation through an engagement with the minutiae of the case. To reiterate, it was the implementation of SteelCo's restructuring process that was important in understanding more about responsible restructuring more broadly. Thus, this has relevance to studying responsible restructuring, as there is a paucity of studies explicitly focusing on the topic. This means that researching a specific instance of putative responsible restructuring contributes towards any perceived notion of scientific development at least, through what Flyvberg (2006) describes as, the 'force of example'. Whilst the extent of theorisation may be questioned – as is so with qualitative or quantitative studies – single cases remain worthwhile in order to learn something in-depth about such a nascent topic.

Following Silverman (2014), this case was chosen through purposive sampling, as it illustrated a case of responsible restructuring and the goal of thesis is to explore whether employment restructuring can be implemented responsibly by organisations, specifically SteelCo. Put simply, that there is little empirical research on responsible restructuring – despite the broader institutional interest from the EC and ILO – especially in the UK context, SteelCo's claims to responsible restructuring are both rare and curious for those wishing to learn something about the topic (Small, 2009). That an organisation claimed to conduct restructuring in a responsible way offers the opportunity to understand the process, rationale, dynamics or even the existence of the phenomena more so than were such a case not studied. Thus, in the context of the nascence of the topic of responsible restructuring the focus on a single case is a justified means of developing and contributing to the field, regardless of the number of cases researched.

In terms of the contribution of the SteelCo case study, and a potential limitation of the research, the lack of a counterfactual remains an issue. That is, how to know what responsible restructuring *is* if we have not also researched instances of what it *is not*. As is clear in the following empirical chapters, stating whether a restructuring process is or is not responsible is not straightforward, and the SteelCo case challenges prevailing understanding on responsible restructuring on these grounds. Whilst there have been attempts to address this issue in this thesis, it is much more of a pragmatic limitation (for example, of research access to an organisation) than it is a substantive conceptual or methodological one. Though SteelCo's claims of responsible restructuring make the case of inherent research interest, there must be some benchmark to explore such processes. This was the intention of the conceptual framework proposed in Chapter 3, whereby a range of disparate literature on restructuring was synthesised to develop a method in order to examine SteelCo's restructuring process (Yin, 2010). The justification for this framework was outlined earlier in the thesis, but it was worth reiterating that this framework may be applied, and refined, through further studies in different restructuring contexts. A contribution of the SteelCo case is its analytical generalisability meaning that the analysis is transferable, such as through the provision of a conceptual framework in subsequent research (Silverman, 2014, Small, 2009, Yin, 2010).

That said, HR, management and unions at SteelCo sought to benchmark their 'socially responsible restructuring' approach across all its UK operations, demonstrating the potential for the research findings to be used across its other steel plants. Whilst the specific dynamics of union-management negotiations may vary across these sites during restructuring, there are shared features – such as the collective bargaining arrangements, the industrial relations climate and the demographics of the workforce – across SteelCo's UK operations. Indeed, this similarity in institutional arrangements arguably applies to much of the European steel industry, therefore extending the implications of the findings in this specific empirical context. For the concept of responsible restructuring, which is not an industry-specific phenomenon, this requires an acceptance of analytical generalisation, though, and a subsequent application to different restructuring contexts for its continued development. Given that little research has explicitly addressed responsible restructuring, the SteelCo case study also offers a benchmark for future research on the topic. The implications of the SteelCo case study for future research is discussed later in the thesis, but it is worth mentioning that such work is necessary to refine and develop such a nascent topic. The next sections discuss the research methods employed and their implications for the broader case study strategy.

### ***Qualitative interviewing***

Interviewing is one of the most prominent research methods used in qualitative research, and was adopted at SteelCo as the primary source of data. Altogether, 59 semi-structured qualitative interviews were conducted during the research. Actors who were involved in, or connected to, the restructuring process were the key interviewees. This included employees affected by restructuring; members of the HR and senior management team involved in designing and delivering the restructuring; senior trade union officials; Enterprise Co, a CSR-based subsidiary of SteelCo; TrainingCo, the training arm of one of the on-site trade unions; Jobcentre Plus; and local government officials. The interviews took place between 2014-2015, and interviews lasted between 45 minutes and 2 hours.

The first batch of interviews followed the first restructuring process (PA) and was conducted primarily with HR, management and trade unions, with the rest being conducted during and after the second process (P2P). As is mentioned in Chapter 5, the timing of the research coincided with the end of the PA process and the beginning of P2P. The implications of the timing of the research are discussed in the next chapter, but essentially there were pragmatic difficulties – delays caused by the ostensibly ghoulish and insensitive nature of researching restructuring – with gaining access to certain participants because of this timing. Table 2 provides detail on the interviews, though greater explanation of the sample and ethical considerations is later in the chapter. Though the interviews were semi-structured, this was not to ensure any sense of prescription or ‘objectivity’, but rather similar themes were used to ensure an element of consistency, reliability and corroboration across the interviews, and to guide the subsequent data analysis. These themes followed the categories of responsibility – *regulatory, procedural, communication, employment* – outlined in the conceptual framework proposed in Chapter 3. Questions on these themes were not rigid or fixed, and a large amount of flexibility was built into the interview strategy to allow for tangential issues to be explored. This flexibility was essential in substantiating the context of the case study, whilst also opening the opportunity for spontaneity and discovery during interviews with participants.

**Table 2: List of participants**

Participant group	Number of interviews	Time of interview
Employees affected by restructuring	27	February and March 2015
HR	14	July 2014, February and March 2015
Trade unions	6	July 2014, February and March 2015
Senior management	5	July 2014, February and March 2015
TrainingCo	2	March 2015
EnterpriseCo	1	July 2014
Local government officials	2	March 2015
Jobcentre Plus	2	March 2015

The most basic understanding of the interview process views it as the practical act of researchers and researched sitting down and talking about a specific topic (Rapley, 2004). The topic talked about was the restructuring process at SteelCo. Based on this premise, the interviewing method, qualitative or otherwise, was not historically considered a theoretical problem (Alvesson, 2003, Maseide, 1990). Interviewing was not considered problematic because, as noted by Maseide (1990) in his work on sociological methodology, the notion of ‘reality’ was given to be ‘out there’ and interview methods were simply concerned with extracting information on this reality as unbiased as possible. The advent of different types of realism and social constructionism – and a multitude of other philosophical perspectives – has, however, shifted the focus onto issues such as subjectivity and reflexivity (Alvesson, 2003, Cunliffe, 2008). In terms of qualitative interviewing, these concerns relate to the type of ontological status ascribed to the interview, the extent to which we should privilege, or prioritise, the subjectivity of participants in such processes, and how a researcher’s own personal schemata shape the interview process. The conceptualisation and application of the interview method has, according to Maseide (1990) and Pawson, (1996), become a theoretical issue, whereby one’s methodological practice must be consistent with one’s philosophical perspective, which is a position I have explored previously (McLachlan and Garcia, 2015).

The personal subjective accounts from interviews with participants constituted the ‘reality’ of the responsible restructuring process at SteelCo. Given that an aim of the research was to understand the affected employees’ experience of an explicitly *responsible* restructuring process, these subjective accounts were crucial to the methodological approach taken. Put

simply, it is the participants' descriptions, experiences and perceptions of the process that formed the core of the empirical data. Interview accounts were received with caution, however, to not succumb to an absolute relativism – 'anything goes' – whereby whatever participants say is labelled as the 'truth'. To counter this, interview accounts were compared, and contrasted, with other participants' and data collected from other sources during the analysis stage; such as the non-participant observation and supplementary materials discussed below. Given the interviews with affected employees – and the majority of those with HR, management, unions and stakeholders – were conducted after the restructuring had taken place, it was necessary to corroborate these accounts with other sources of data. This is particularly so in a case study approach, to create a coherent narrative about SteelCo's responsible restructuring process.

The presence of a researcher asking questions inevitably influences the responses of participants and any notion of 'truth'. This is not considered a hindrance as the interview process is, in essence, an act of collaboration between the researcher and researched, as the conversational nature of interviewing helps unfold an, albeit messy, narrative of the topic being studied (Shotter, 2010, Holstein and Gubrium, 2011). The interviews tended to avoid directly asking participants whether they thought the restructuring process *was* responsible or not – though management were more inclined to discuss it directly – but instead probed at the relationships between different actors, the actions taken by SteelCo during the restructuring and the personal impact on participants. This teased out the tensions, and nuances, between the claims made by SteelCo and how those affected by restructuring perceived the process.

### ***Non-participant observation***

Another method employed was the use of non-participant observation. This afforded, as mentioned earlier, a close involvement and familiarity with the case, allowing an insider perspective to the intricacies of the restructuring process. Further, the goal of non-participant (and simply 'participant') observation is to 'uncover accounts which may not have been accessed by more formal methods like interviews' (Anderson, 2008:151). Though this aspect of the research methodology was not an ethnography *per se*, non-participant observation has been described by Easterby-Smith et al (2012) as having ethnographic qualities. That is, though the latter's emphasis is generally on pure observations, ethnography involves collecting information and data from a variety of other sources beyond observations (Anderson, 2008).

Observational methods range from complete participant where the intention of research is concealed from the individuals, to complete observer where researchers seek to maintain distance and objectivity from the individuals and setting.

As described by Easterby-Smith et al (2012), the extent of engagement at SteelCo followed an ‘interrupted involvement’ approach. This approach is characterised by the researcher being present at the site sporadically, moving in between observations of people and activities at the site along with interviewing participants. This proved a useful approach, as given an aim of the research was to observe the practice implemented at SteelCo, it was necessary to be able to attend any events or activities as they arose during the process. At SteelCo, 150 hours of explicit non-participant observations was conducted, from January 2015 – July 2015. This covered the period shortly after the P2P announcement, when negotiations between HR, management and unions over how to implement the restructuring took place, and the subsequent redeployment of affected employees. Access to a range of meetings and activities was granted, which is detailed in Table 3, and covered the six month period in which the non-participant observation took place. Observations at these meetings elicited a deeper insight into how the restructuring was not only implemented, but discussed between actors in formal, and informal, settings. These observations allowed, following Anderson (2008), an understanding of the practical, routine reality of dealing with restructuring that could not be fully captured through retrospective interviewing. Whilst the interviews constituted the bulk of the empirical data, the field notes, recorded in a journal, made from these observations helped to place the interview accounts into the wider social, economic and organisational context. For instance, during interviews employees typically reported that they were aggrieved at the standard of the training offered, yet witnessing the planning of this support and training amongst HR and unions provided a more balanced view on the implementation, and perceptions, of the support during the restructuring process.

This was not necessarily a process of methodological triangulation – crudely put, using one method to check the results of another – but to further explore the nuances of the rationales, interactions, processes, practices and dynamics of the SteelCo case study, enriching understanding about the nature of an organisation’s ‘responsibility’ during restructuring. That is, how was responsibility spoken about by management, HR and unions during meetings, compared to the way affected employees – and at the union events, the lay representatives –



**Table 3: meetings and activities observed at SteelCo**

<b>Meeting/activity</b>	<b>Explanation</b>	<b>Attendees</b>
Cross-match meeting	Took place every Wednesday afternoon in a HR meeting room. Discussions related to employees going through the redeployment process and any personal issues with specific employees. Planning of support measures for employees were also discussed. Attended ten times. 25 hours.	HR representatives from every area affected by the restructuring process. All senior union officials.
Governance meetings	Took place monthly in executive meeting room. HR reps and senior union officials provided updates to senior management on the progress of the restructuring. Updates involved the numbers of headcount reduction and associated costs, and any specific issues regarding union-management relations as a result of the restructuring. 15 hours.	Managing Director. HR Director. HR representatives from the areas affected. All senior union officials.
Training workshops	Took place on three full working days during the research period in a designated learning and development area. TrainingCo provided basic training on CV writing, interview techniques and general employability support for affected employees. 25 hours.	Two training officers from TrainingCo. Any employees affected by the restructuring who sought help.
Union meetings	A monthly meeting for one of the three on-site unions. General union issues were discussed, but during the restructuring there was a specific focus on the redeployment process and payment of severance packages; including voluntary pay and early retirement. 25 hours.	Chaired by all senior union officials. Lay union representatives from each department.
Other union activities	Spent time shadowing senior union officials in the union offices. This involved observing the planning of training support and dealing with grievances with specific employees affected by the restructuring. Attended other union events related to charities and regional committee meetings where restructuring was discussed. 60 hours.	All senior union officials. Employees with grievances visiting the union office.

is, how was responsibility spoken about by management, HR and unions during meetings, compared to the way affected employees – and at the union events, the lay representatives – perceived SteelCo’s responsibility during restructuring. As discussed earlier regarding the *in situ* nature of the research, gaining access during the actual implementation of the process meant that the observations were, notwithstanding the presence of a researcher, unfettered and ‘as it was happening’, leading to a more practical understanding of the restructuring context.

### ***Supplementary and secondary data***

During the research, a range of materials were collected that supplemented the data from the interviews and the non-participant observation, and were obtained during interviews and the time spent at SteelCo. Materials included: formal SteelCo policy documentation regarding the restructuring process, containing guidance for managers on how to deal with affected employees; PowerPoint presentations of the initial restructuring announcements to departments, which detailed the economic rationale for conducting the process and the support that would be offered to employees; copies of the joint-communication e-mails sent out to the workforce from HR, management and unions, which provided updates on the progress of the restructuring process; union materials, such as campaigns and event fliers; and the fortnightly internal newspaper, which also included updates on the progress of the restructuring along with references to how SteelCo was demonstrating its responsibility to the workforce along with other CSR initiatives.

This supplementary material was examined and primarily used to corroborate other sources of data. For example, HR, management and unions often referenced the specific company policy documentation, so comparing the way this formal document was interpreted by each of the actors provided verification of how responsibility during restructuring was experienced at SteelCo. As with the joint communication e-mails from unions and management, which were drafted up during the cross-match and governance meetings attended during the research. This provided an insight into the political aspect of union-management relations, and how negotiations over the restructuring – even with just an e-mail communication – were conducted to accommodate each actor’s interests during the process. Again, collecting this material helped to substantiate the broader case study, despite not being the primary method adopted.

### **Data collection**

As mentioned above, most of the data was collected between 2014-2015 starting towards the end of the first phase of restructuring (the PA process) throughout the announcement and implementation of the second phase (the P2P process). Access to SteelCo was afforded through two key gatekeepers, one HR advisor and one senior union official. Seeking a gatekeeper from ‘either side’ of the restructuring – that is, one from the union side and one from the SteelCo management side – was invaluable in gaining access to participants. It also provided balance to the research, meaning the research was not perceived by participants as being either a ‘union’

or ‘management’ initiated project, which was suspected to have potentially led to a reluctance or scepticism towards participating in the research. Building personal relationships with each of the gatekeepers was, practically speaking, developed through e-mails and meetings during the time spent at the SteelCo site.

These gatekeepers were ultimately responsible for the subsequent sample acquired for the research, which primarily followed a snowball approach (Silverman, 2014, Easterby-Smith et al., 2012). The snowball sampling method involved identifying suitable participants who met the criteria of the research – broadly defined as those involved in the restructuring process – then asking them at the end of the interview to suggest others who would be willing to participate. It was vital to build a level of trust and rapport in the interviews, so that individuals were comfortable in recommending further participants for the research. The HR advisor helped organise interviews and introductions to other members of the HR team, but also with other senior managers across the plant and the participant from EnterpriseCo. This was also the case with the senior union official, who contacted other union officials on site, the TrainingCo participants and the local government officials who had all been involved in the restructuring process. The Jobcentre Plus participant was recruited through a phone call to the local branch, before being passed on to the relevant member of the ‘Rapid Response Service’; the government service dedicated to supporting employers in making redundancies.

Crucial to the research, though, was gaining access to those employees affected by the restructuring, as an aim of research was to understand their experiences of an explicitly responsible approach to restructuring. During the non-participant observation phase, the senior union official gatekeeper provided access to a spreadsheet of employees, with contact details, that were affected by restructuring. This information was used to contact employees. Though the purpose and the nature of the research was explained to employees via unsolicited e-mails – ostensibly ‘cold calling’ them – once five interviews were organised, the sampling method referred back to a strictly snowball approach rather than canvassing the full spreadsheet. There were three reasons for this. Firstly, the cold calling approach via e-mail was not proving successful, and the facelessness of approaching employees in this way deterred some (understandably) of them from meeting to discuss their experiences of the restructuring process. Secondly, following the first reason, the snowball method was far more effective in building the trust and rapport needed to recruit further participants due to the interpersonal nature – that is, engaging with people face-to-face rather than through e-mails – of the

approach. Thirdly, the snowball approach allowed for a more natural awareness of reaching theoretical saturation during the data collection (Guest et al., 2006). Instead of, say, 25 or 30 interviews being organised straight away, the snowball approach meant the quality of the data was assessed in a more incremental fashion. This allowed space to reflect on discussions around implementation of practices and their accordance with supposed best practice approaches, but also to identify common themes across the experiences of affected employees. Of course, reaching theoretical saturation also addressed the largely pragmatic concern of the time to complete the research, but nonetheless acted as a useful marker in determining the sufficiency of the data. In all, the insights obtained from participants was, arguably, improved because of the pursuit of the snowball method, as participants were more comfortable being interviewed by someone to whom a colleague or friend had already spoken.

### **Approach to data analysis**

The research was not characterised by a linear process from methods to data collection straight through to data analysis. Instead, the research moved between collecting data and reviewing the data, and considering its emerging themes and concepts with reference to existing literature throughout the research process. The process adopted is best described by Tracy (2013) as a phronetic-iterative approach towards qualitative research. Given the purposive nature of the SteelCo case, the research is phronetic in that it identifies a particular practical issue or problem, such as how to address the negative effects of restructuring for employees, and seeks to interpret and analyse data based on that particular problem. Therefore, the findings present, in part, the practical measures taken by SteelCo along with the experiences of affected employees. In this sense, the analysis and interpretation of the data is firmly rooted in the practicalities of SteelCo's responsible restructuring process.

Adopting an iterative approach enabled alternation between existing concepts and the emergent qualitative data. Specifically, Tracy (2013: 184) notes that iteration is a 'reflexive process in which the researcher visits and revisits the data, connects them to emerging insights, and progressively refines his/her focus and understandings.' Put simply, the data analysis essentially started at the same time as the data collection. This was possible, in a pragmatic sense, given that there were different stages of the data collection at SteelCo – non-participant observation and two main batches of interviews as detailed in Table 2 above – that allowed time in between periods of data collection to reflect on and analyse the data on an ongoing

basis. Rather than subscribing to a grounded theory approach whereby the emphasis of the research develops solely from the data as opposed to working from research literature and questions, the iterative approach switches between them to place the emerging data into a specific field of academic reference.

Given the nascence of the topic of responsible restructuring in the literature, the research was therefore necessarily inductive and exploratory. That said, some indicators, or a benchmark, was needed to be able to examine the responsible restructuring process at SteelCo. A similar approach was adopted to that of Forde et al (2009), whereby a conceptual framework – presented in Chapter 3 – was developed initially to guide the subsequent data collection and analysis; as explained above. The intention of this framework was not to be used deductively. The SteelCo case was not ‘tested’ against this framework during the analysis stage. Instead, the categories of responsibility were used as exploratory themes – justified through a synthesis of prevailing literature – during the research and to structure the analysis and subsequent findings. This framework helps organise the final empirical chapter in Chapter 8, where the themes relating to each of the categories of responsibility form the structure for the presentation of the data collected from the SteelCo case. The other empirical chapters, Chapters 5, 6 and 7, deal with findings that emerged from the research and concluding discussion sections reflect on the relevance of the findings with reference to the different categories established in the framework, though also form part of the broader SteelCo narrative. These refer, crudely, to the rationale for responsible restructuring, the complicity of the unions in the process and the impact of restructuring on the steelworker identity, and were testament to the exploratory and flexible approach taken towards the research.

### **Data analysis techniques**

As noted, the bulk of the data was collected through qualitative interviews. This data were transcribed and coded using NVivo data analysis software. The recordings of the interviews were uploaded to the software, and, in the first instance, listened to throughout, before being transcribed verbatim and examined ahead of the formal coding process. This listening and reading of the transcripts served two purposes. Firstly, it ensured the transcript was an accurate reflection of the audio of the interview. Secondly, it allowed for an immersion in the data that provided, in conjunction with field notes, a tacit knowledge of the SteelCo case. It was important to develop a strong connection with the data not only to benefit the coding stage, but

to ensure a comprehensive understanding of the restructuring process. Naturally there was much data that was not specifically referenced in the findings – for example, where participants would speak tangentially to the restructuring process – but having this broader knowledge of the SteelCo case built a familiarity with the contexts that shaped the restructuring.

The coding process was conducted using the Nvivo software, and involved two ‘cycles’ of coding. Coding is understood as the labelling and systematising of data, and the use of Nvivo was invaluable in organising, managing and sorting the data throughout the analysis (Tracy, 2013). The primary cycle coding was largely descriptive, making frequent comments besides passages in the data. At this point, the goal was to highlight areas of interest in the transcripts that were identified as being likely to help address the goals of the research. This ‘fractured’ the data into smaller, detailed nodes on the Nvivo software and provided an intricate and vivid, though extensive, picture of the data (Tracy, 2013). This was followed by a second cycle of coding that focused on interpreting these fractured nodes, and lumping together analytically similar nodes into broader themes. For example, whilst the primary cycle coding would have identified issues related to union ideology and union involvement in the restructuring process, these were subsequently interpreted as a broader theme of union ‘complicity’. This broader theme was then referenced back to debates in the literature, for example, around strategies of unions in response to restructuring. This involved a level of abstraction from the data that was complemented by the iterative approach outlined earlier. Emergent themes from the data were linked to existing concepts within the literature to analyse how these contributed to prevailing understanding. Quotations from participants are used to illustrate themes, though the emphasis was on interpreting and presenting the data and to not rely on quotes to steer the narrative.

Though the field notes from the non-participant observation and the supplementary material were not coded in the same manner as the interview data, the examination of this data contributed to establishing the broader context around the restructuring. With the field notes, these were written down as both descriptive observations – locations, times, attendees at meetings, developments in the restructuring process – but also with short notes interpreting both formal and informal moments during the research as they happened. One illustrative example was entering the union office at SteelCo and observing an informal conversation between the senior union official and the HR manager who jointly-chaired the redeployment (cross-match) process. The discussion centred on the present status of the restructuring process. This informal conversation, however, was ahead of the formal afternoon meeting with the

extended cross-match committee that included HR departmental representatives and the other senior union officials. Observing both the informal and formal meetings provided an insight into how it was typically outside the formal channels that issues were settled. The afternoon meeting was, essentially, a ‘formality’, as any lingering problems had been addressed, or at least managed, during the informal conversation between the joint-chairmen of the cross-match committee earlier on, so as not to cause any public friction between the HR representatives and senior union officials.

It was these subtle, unexpected encounters that helped understand the ‘behind-the-scenes’ aspect to the restructuring – in this example above, the political nature of the union-HR relationship – that, although perhaps referred to during interviews, would not have been captured in the same way were it not for observations recorded in the field journal. Chance meetings in corridors, union events, cafes and even in the SteelCo staff car park all contributed to a better understanding of the mood and atmosphere during the implementation of SteelCo’s restructuring process, and the different ways in which responsibility in such processes was discussed. In terms of the supplementary material acquired, this was generally used to corroborate interview data and observations, as noted above.

### **Ethical considerations**

In researching restructuring and redundancy processes, some clear ethical considerations arise. Maintaining compassion and sensitivity when speaking to people who have lost their jobs is paramount. As is well established, losing one’s job is not a pleasant experience and can lead to a range of, sometimes profound, negative effects for those affected. Much care was taken when interviewing employees affected, to not provoke uncomfortable or negative feelings during the research process. This was paramount, and an element of empathy was required, particularly when employees spoke tangentially about the effects on their personal and home lives. Allowing employees to speak freely about their experiences of the restructuring also, again, contributed to the trust and rapport that was developed with participants throughout the research. At times the interviews were challenging, as affected employees recalled the impact the restructuring had on their health and general well-being. Overall, this proved cathartic for these employees, as some even expressed gratitude at having the opportunity to share their thoughts and experiences. As was the case with HR and union participants too, who, despite

having a role in the making people redundant, typically expressed grief and sympathy towards those affected.

One practical strategy employed following a particularly difficult interview was to have contact details of specific charities and mental health organisations at hand in case it was deemed that participants required further advice and support on a particular issue. This again created further ethical dilemmas. As researchers, we are generally not qualified to provide advice and support, or to even be so arrogant to make a judgement as to who needs subsequent advice and support. If a participant breaks down and cries during an interview, we cannot be certain whether it is the topic under investigation that has triggered such a reaction or something else that has surfaced for that individual during the practical moment of the interview. During interviews, especially, researchers spend such little time – maximum two hours – with individuals that it would be contentious to act as anything but a researcher. Bringing the information on further advice and support organisations to the interviews sought to, though minimally, address this dilemma by recognising that the interviews were primarily in a research setting but could at least act as a conduit to additional support if necessary.

Though every opportunity was taken to probe and ask questions to gain as much insight as possible, the research did not go so far as to jeopardise both the confidentiality and sensitivity within individual accounts. This practice of confidentiality applied to all participants, and thus the case study has been fully anonymised. Names of participants are changed, as are the names of the organisations involved (SteelCo, EnterpriseCo, TrainingCo) to reflect this commitment to the confidentiality of participants. Lastly, the thesis received ethical approval in accordance with the guidelines set by the ESSL, Environment and LUBS Faculty Research Ethics Committee at the University of Leeds. This document details the approval of the methodological approach described above, and that all data collected was kept securely on the university computer system to assure the privacy and confidentiality of participants in the research.

## **Concluding remarks**

This chapter has outlined the research design and methodological decisions taken to research the topic of responsible restructuring. The SteelCo case was a suitable case as it claimed to have conducted its restructuring process in a responsible fashion, thus posing the opportunity



to refine understanding, both conceptually and empirically, about the dynamics of responsible restructuring. Given the nascence of the topic, an inductive, exploratory approach – though guided by a conceptual framework – was necessary, and the use of quantitative methods were eschewed as a result. It is not that a quantitative approach could not have provided any insight into the topic. However, to extract the nuances and tensions in what it means to be responsible during restructuring, a qualitative approach that could capture the richer, contextual knowledge that shapes responsible restructuring was adopted. Though the use of a single case study has received criticism, this chapter has argued, following Flyvberg (2006) and Small (2009), that this is usually a result of the incommensurable act of judging qualitative research with quantitative criteria; such as through notions of statistical generalisability. Instead, analytical generalisability is proposed to establish some general conceptual understanding about responsible restructuring, which can be taken forward and transferred to different restructuring contexts in order to further develop the topic. Indeed, as will become clear in the findings chapters, organisational context plays a key role in shaping the implementation of responsible restructuring processes, so this subsequent application is a necessary factor.

Lastly, a methodological strength of the case study strategy was the extended time spent at the SteelCo plant conducting non-participant observation. The insights obtained from observing the practical, everyday tasks of dealing with a restructuring process proved invaluable in building a context around the interview accounts, but also in contributing to an understanding of the general mood at SteelCo during the restructuring. The time spent on the plant created a strong connection and familiarity with the organisation, whilst building personal relationships with key members of the HR team and the onsite union officials. The extent of the access afforded was, within reason, limitless, which permitted the attendance of meetings and visits to the plant as and when was necessary. The ultimate benefit of such access, though, was having the opportunity to speak to the employees that were affected by restructuring, as it was their stories that were so essential to the narrative.

## **Chapter 5: The UK steel industry and SteelCo: context and restructuring**

Developments in the global and domestic steel industry can have a significant influence on the conduct of employment restructuring. For example, when global commodity prices fall or the supply of steel rises companies may strive to remain viable and compete and as such they often seek to reduce costs. When this occurs, the main outcome is often a restructuring and a reduction in the number of employees.

This chapter presents the key contextual factors that have driven restructuring in the steel industry, and is organised as follows. Firstly, the challenges facing the industry, both globally and domestically, are reviewed, with the rising volume of steel production globally coupled with a lower price of steel making it difficult for the UK to compete internationally. Next, the extent, and character, of restructuring in the UK steel industry is discussed, emphasising the mass contraction of employment in the industry since the mid-1970s. The SteelCo context is then presented to understand the specific commercial challenges facing the company that led to the implementation of restructuring in recent years. This section also discusses the nature of ‘responsibility’ during restructuring, with reference to historical agreements with union and management over how to address the impact of restructuring on affected employees.

In addition, primary empirical data from the SteelCo research is presented to demonstrate the strategic rationale that drove the responsible approach to restructuring. Understanding an employer’s responsibility when conducting restructuring has received limited attention in the literature (Teague and Roche, 2014, Forde et al., 2009, Bergstrom, 2007). Whilst reference has been made to restructuring processes that ameliorate the effects of restructuring and job loss on employees, little is known about the substantive rationale that leads to responsible approaches to restructuring. Indeed, whether organisations even owe a responsibility to any actor, let alone the employees affected, has been questioned in previous work, as restructuring has historically been viewed as an unfortunate consequence of market economies and simply an accepted part of organisational life (Harris and Lee, 1987, Gowing et al., 1998, Datta et al., 2010). This section therefore provides the organisational and institutional context that influences how participants at SteelCo view the nature of responsibility during the implementation of its restructuring process. The chapter ends with some brief concluding remarks.

## **UK steel industry: context and restructuring**

In discussing SteelCo's reasons for restructuring, it is necessary to first locate the challenges facing the company within the domestic and global industry context. The intention of this section is to present some of the background to the restructuring at SteelCo. At the time of writing, the UK steel industry has been described as in 'crisis', following the announcement of approximately 5,000 job losses in the industry since July 2015. Though these job losses took place after the SteelCo research, the reasons attributed to this crisis are long-standing and have driven much of the restructuring in the industry, particularly since the global economic crisis in 2008.

Global production of steel has increased steadily from 848m tonnes in 2000 to 1.6bn tonnes in 2015 (EEF, 2016). This rise in steel production has been uneven, though, with China accounting for 15 per cent of the global steel market back in 2000 with 129m tonnes compared to 50 per cent in 2015 with 804m tonnes (EEF, 2016, BIS, 2015). In comparison, over the same period UK steel production fell from 15m tonnes in 2000 to 10.9m tonnes in 2015. While China has significantly increased its steel output, this growth in the volume of steel production has also been considerable in countries such as India, Brazil, Russia and Turkey. None of these countries, however, has gained as much market share as China.

Due to China's dominant position in the global steel industry, much of the crisis in the UK, but also elsewhere, has been attributed to China's increased steel production. The slowing economic growth in China in recent years has led to a reduced domestic demand for steel, meaning more steel has been exported as a result. Since 2009, China's steel exports have increased by 395 per cent and this has created a global overcapacity of steel in the international market. The EU in particular has experienced a 50 per cent increase in imported Chinese steel. During a recent UK Business Innovation and Skills Parliamentary Select Committee evidence hearing on the recent UK steel crisis, Luiz Sanz, who is the CEO at Celsa Steel UK based in Wales, noted the particularly acute problem this has caused for the UK industry:

*'...obviously globally there is an oversupply, and we can analyse this and get to the conclusion that out of the oversupply, more than 50 per cent of the problem is coming from China...China, in 2013, of the products that we produce, which is the reinforcing bar and the wire rod, imported 4,000 tons per month to the European Union, and all the*

*4,000 tons were coming into the UK, so that is less than 50,000 a year. In 2015, during the first seven months, China has imported to the European Union, for these products, 26,000 tons per month. This is more than a 500 per cent increase in two years. They have taken 40 per cent of the UK market share in two years. Of these 26,000 tons that have gone into the European Union, 24,500 have come to the UK, which is 94 per cent. The other six per cent has gone to Ireland. The rest of the countries have taken nil'*

China has been accused of 'dumping' steel – selling below domestic prices – in the EU, which commentators have argued has been possible due to Chinese steel producers being state owned and receiving public subsidies that enable them to operate at a loss. Others have described China's steel production as an aggressive geopolitical strategy in order to drive out competitors (Green, 2015). In a recent interview with Sky News, a senior union official at SteelCo further illustrated the issue of Chinese dumping:

*'Chinese [steel] plate is at a price that if everybody in the plate mill worked for nothing...we still couldn't produce plate at the price that it's being dumped on our shores'*

Nonetheless, the global oversupply of steel coupled with increased Chinese exports has also pushed the price of steel down; for example, the cost of steel reduced by 15 per cent between 2014 and 2015. This has been described as a 'perfect storm' for the UK steel industry, whereby the low cost and high supply had made it difficult to compete internationally.

Although China received a large proportion of blame for the changes in the global steel market by UK industry and trade union bodies, the UK has also faced problems domestically. Notwithstanding the fact that there has been a reduced demand for UK steel both domestically and internationally, energy costs and business rates in the UK are considerably higher than its European counterparts making it difficult to compete. Calls have been made to rectify this and create a 'level playing field' for the UK industry in order to boost its competitiveness across Europe (EEF, 2016). Furthermore, in terms of currency, a strong pound has meant that UK exports are also less attractive. Whilst these issues are not new, they were brought into the public eye following the recent crisis, and alongside these there have been other challenges that have afflicted the UK steel industry. There has been a notable lack of recovery in certain

markets following the global economic crisis – such as blooms and billets, which are used for the construction industry – along with lack of procurement of UK steel for specific domestic projects. Although since the Referendum on EU membership the value of Sterling has weakened helping steel exports, the cost of raw materials for the industry has correspondingly increased.

Steel is a Foundation Industry, hence of strategic importance to the UK manufacturing sector across numerous supply chains both up and downstream. Due to this, steel is a product sold to other producers rather than directly to consumers, demand is highly cyclical and sensitive to levels of economic activity. A detailed discussion on the intricacies of the steel market is outside the purview of this thesis, but it is nonetheless important to highlight the contemporary challenges faced by the industry as they form the backdrop to the implementation of restructuring and redundancy processes.

### **Employment and restructuring in the steel industry: the UK context**

Given this thesis addresses the impact of restructuring on employees, it is important to place the issue of job loss in the steel industry in a broader historical context in order to capture the extent of the problem. The UK steel industry has experienced frequent, episodic restructuring since the mid-1970s. In the early-mid 1970s the industry employed approximately 300,000 people compared to just 15,700 in 2015 (EEF, 2016, BIS, 2015). The steel industry has been politically, as well economically, sensitive, as it was nationalised by Labour in 1950, denationalised by the Conservatives in 1953, renationalised by Labour in 1967, until it was privatised by Margaret Thatcher's Conservative government in 1988. The Thatcher era is notable for the mass contraction of the industry, as it was from 1979 onwards that the majority of restructuring took place. Across the then EEC, through the Davignon Plan and in the UK through a backdrop of monetarist economic policy that restricted state funding for the industry, the setting of stringent financial targets on the industry, the sapping of union resistance following the 1980 national steel strike, along with subsequent anti-union legislation, all contributed to massive job losses during the 1980s (Blyton, 1993).

The 1980s saw changes in not only the structure of the steel industry – the diversification of steel production across different plants that paved the way for privatisation – but also in the character of industrial relations, which contributed to a perceived acceptance towards

restructuring during this time. As noted by Blyton (1993), bargaining between union and management became localised to plant-level, and job loss was increasingly defined by management and the government of the day as a local issue. Additionally, the establishment of multi-union committees at plant-level made it difficult for any single union to independently protest against job losses. Both these factors were problematic for unions, as it made it difficult to launch, and sustain, national campaigns against restructuring and redundancies. Management, during this period, also tied performance bonuses for the workforce to agreements over other changes such as manpower reductions, the introduction of subcontractors and technological developments. Essentially, job losses were framed as part of broader commercial plans that required changes in the way the work was organised at plant-level. The implementation of these changes were made easier by the fact that the UK steel industry has typically offered employees generous severance packages – discussed in more detail below – that enticed employees to take redundancy. Coupled with the declining strength of unions due to anti-union legislation, management faced little organised resistance (Blyton, 1993).

Whilst the common denominator in restructuring in the industry since 1979 was redundancy, it was also driven by the implementation of new working practices by management. Indeed, much of the negotiation between unions and management in the industry centred around changes to working practices that typically demanded greater functional flexibility from the workforce which was, arguably, a result of gaps that emerged due to extensive job losses (Blyton, 1993, Morris et al., 1992). Morris et al (1992) highlighted that the main changes in working practices focused on reducing the demarcation between production workers and between craft and production workers; an explicit commitment towards multi-skilling employees across the industry; moves to flatter operational structures and the introduction of teamworking that replaced seniority-based promotion with merit-based systems; and the consequent need for substantial training and retraining initiatives (Greenwood and Randle, 2007, Stuart and Wallis, 2007). Therefore, although restructuring is often associated with cost-cutting, and this was true for the majority of the 1980s, it has also led to fundamental changes in the way that work has been organised, along with the character of industrial relations.

A brief note must be made about the ease with which restructuring processes are typically conducted, and the reasons for this perceived acceptance of restructuring by unions. Typically, UK steel companies have been able to exhaust volunteers for redundancy or early retirement

during times of restructuring due to generous above-statutory redundancy packages offered to employees and access to an early pension (Casey, 1992, Wass, 1996, Schröder et al., 2014, Beynon et al., 1991). As Beynon et al (1991) note, allowing employees to leave voluntarily has been a feature of restructuring in the UK steel industry, as agreements made between unions and industry established that no employee affected by restructuring would be made compulsorily redundant. Due to the generous severance packages, employees – particularly older workers who were also able to access their early retirement lump sum – were, more often than not, happy to take voluntary redundancy. This was also the case at SteelCo, as is elaborated on in the subsequent findings chapters.

To illustrate the importance of this essentially *de facto* arrangement, it is worth relaying a recent dispute between unions and management in the industry, though, in order to protect anonymity, key details have been omitted. The essence of the dispute was the closure of a final salary defined benefit (DB) pension scheme and the establishment of a defined contribution (DC) pension scheme, of which the latter is considered an inferior arrangement. The unions disagreed with the employers, and subsequently the industry was on the verge of its first national strike since the pay dispute in 1980. The dispute over the pensions was significant for two distinct, yet connected, reasons. Firstly, the pension in the UK steel industry was designed in a way that allowed employees to take early retirement, recognising that working at a steel plant is an arduous and dangerous job. The prospect of having to work until sixty-five – which was to be a condition of the new DC arrangement if early retirees did not wish to incur an actuarial reduction in their pension – was perceived to have had significant negative impacts on the physical and mental health of employees. Secondly, and related to the ease in which restructuring has been conducted historically, the steel industry has utilised the appeal of early retirement as part of the generosity of the severance package. The superior DB arrangement has been used instrumentally to manage restructuring and redundancy processes. It has allowed the industry to avoid making compulsory redundancies by encouraging those old enough to take voluntary redundancy, alongside early retirement, which subsequently allowed employees who were affected but wished to stay to move into roles (redeployment) made vacant by volunteers.

Therefore, that the ability to conduct restructuring in a way that avoided compulsory redundancies was potentially threatened by the proposed closure of the DB arrangement demonstrated its importance to the unions; given it nearly led to the first national strike in 35

years. This tangential example highlights that despite the exhaustion of volunteers and early retirees being a feature of restructuring processes, recent events by management have sought to indirectly attack these long-standing arrangements; such as proposing to close the DB pension scheme. The next section presents the SteelCo case study, in light of this contextual backdrop.

### **SteelCo: case study context**

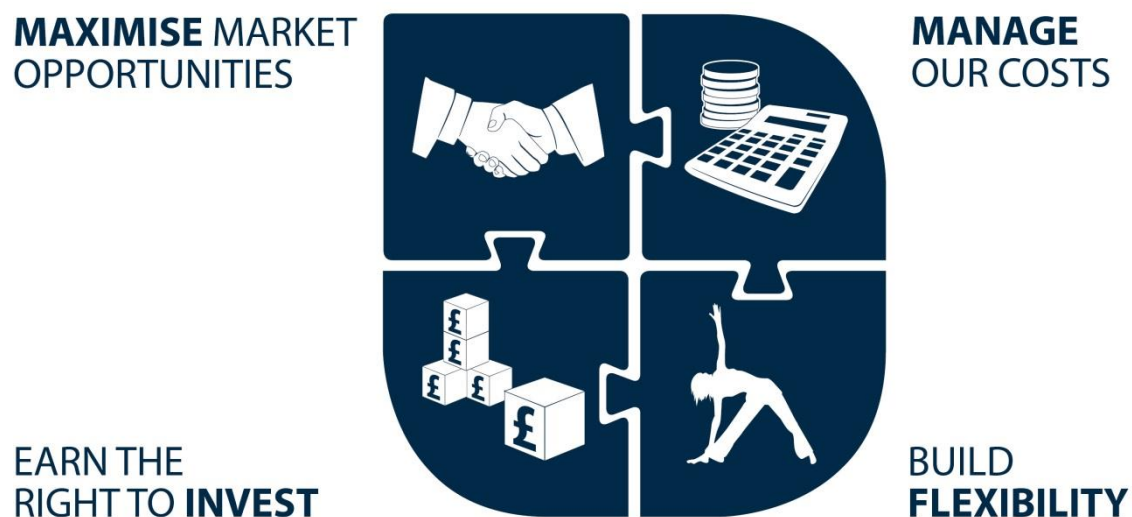
Quite clearly, the UK steel industry faces, and has done for some time, a parlous economic climate. This section follows the discussion of the wider context and addresses the specific focus of this research, which is a case study into the employment restructuring processes at SteelCo. The methodological justifications for the SteelCo study are discussed in Chapter 4. SteelCo is a foreign-owned UK steel plant based and at the time of the research approximately 4,000 ‘core’ – permanent SteelCo employees excluding contractors – employees were on the plant having employed 20,000 in the mid-1980s. SteelCo has a high level of unionisation, with the workforce represented by four different trade unions on site. Exact figures of unionisation were hard to establish, however, due to this multi-union set up and difficulty in keeping track of membership numbers at plant level. The four unions are referred to collectively as ‘the unions’ in this thesis. Though there were inter-union politics evident during the research, assessing the interactions between the different unions was not the goal of the research. That said, references are made to these inter-union relationships where relevant.

Although the extensive restructuring at SteelCo mirrors the trend in the industry more broadly, this research centres on two specific restructuring events that took place between 2011 and 2015. These two restructuring events are referred to as PA and P2P, and together resulted in 1700 job losses. To reiterate, however, this thesis does not question the commercial reasons of SteelCo’s restructuring process, nor make claims about whether the restructuring was necessary or not. The goal is to understand the specific implementation of the *process*, and the actions taken to ameliorate the negative effects on employees and discern the nature of the restructuring practices in relation to the notion of ‘responsibility’. That said, some background context is necessary to at least frame the scope of the restructuring, and to understand the types of employees affected.



Though the drivers for the restructuring were commercially similar each process was framed in a slightly different way. PA was announced in 2011 and was primarily a headcount reduction programme, seeking to remove costs from the business directly through cutting jobs. Though the job losses were implemented across the plant, the bulk of the reductions were made through the closure of the bloom and billet mill; thus, most of the employees affected in the PA process were largely manual production workers. Orders to the bloom and billet mill had failed to recover following the global economic crisis and was largely related to the slowdown in the construction industry, to which it supplied steel products. PA involved 1200 job losses, with a planned cost saving of £130m from the restructuring. The broader commercial plan primarily involved a reduction in the volume of steel production – hence the closure of the mill – and instead moved towards a focus on higher quality, more profitable steel products. Figure 1 below is a visual representation of the PA commercial plan, and involved maximising market opportunities (the switch to less volume and higher quality steel production), managing our costs (redundancies), building flexibility (seeking greater functional flexibility across plant), and earning the right to invest (saving enough costs to reline one of the blast furnaces).

**Figure 1: PA commercial plan visual representation**



The P2P process was announced in 2014 and involved 500 job losses with a planned cost saving of £20m. It was considered a residual of PA as the prevailing economic climate had not improved and more costs needed to be taken out of the business. Instead of a pure headcount reduction, P2P was framed around removing costs, as opposed to ‘heads’, from the business.

This meant there was a greater focus on other cost-reduction measures, such as reductions in overtime, changes in shift patterns and bonus pay. The process was a response to substantial losses made in the first six months of the financial year, with the intention that the costs saved from P2P would remove these losses and provide the grounds to at least break even in the second six months. The P2P job losses were also spread across the plant, though two departments were affected in particular: the finance department and the engineering workshops.

The restructuring in the finance department at SteelCo was part of a company-wide plan – that is, involving other SteelCo sites across the UK – to centralise the finance function at a plant elsewhere in the UK. The finance department centralisation meant that ‘transactional’ tasks – broadly referring to tasks that involved invoicing and payment exchanges – were to be moved, thus reducing the numbers needed at the SteelCo plant. The commercial decision in the engineering workshops – which dealt with the maintenance and repair of equipment on plant – essentially moved the department from a profit centre to a cost centre. Previously, the engineering workshops operated on steel plant machinery both on the SteelCo plant and externally, meaning that in the past this external work generated income, and thus profit, for the business. The P2P restructuring removed this profit-making capacity and reduced staff from approximately 80 to 15, and meant that the engineering workshops now operated as a primarily emergency maintenance and repair function whilst also competing with external firms over the costs of that maintenance and repair. In terms of accounting logic, the engineering workshops moved from making SteelCo money to costing it money. During the P2P process, a greater number of office and administrative staff were affected – as a result of the finance department – than manual workers. As explained in Chapter 4, the research sought to capture the experiences of a variety of different type of workers affected by the restructuring at SteelCo. The analysis in the subsequent empirical chapters thus refers to the differential impact of SteelCo’s restructuring process between manual workers, such as production workers from the affected mill and engineering craftworkers, and office and clerical staff, such as those in the finance department and non-manual roles.

### **SteelCo’s restructuring process**

As discussed in the previous chapter, SteelCo’s restructuring process was purposively chosen due to the explicit description of the process as ‘socially responsible’: hence in methodological

terms, for the subject under investigation, in many respects a ‘critical case’. A goal of this thesis is to understand what led to such a description, and explore the impact this had on affected employees. This description was documented in a ‘CEO award’ presented to the HR department following the PA process for their efforts in delivering the restructuring and achieving the required cost savings (Appendix 1). In justifying the process, HR framed the implementation of responsibility against the company values of: *unity, integrity, responsibility, understanding and excellence*. Figure 2 below shows a visual representation of SteelCo’s company values.

**Figure 1: SteelCo's company values visual representation**



As discussed, the industry has typically offered generous severance packages to affected employees to compensate them, financially, for the loss of work. At SteelCo, this commitment was documented in a collective agreement between union and management known as the ‘1992 Agreement’. For the most part, this reflected the necessary procedural and regulatory obligations of the Trade Union and Labour Relations (Consultation) Act 1992 – as outlined in Chapter 3 – though included additional measures beyond the statutory minimum laid out for the global industry in an ILO Iron and Steel Committee report in 1969 entitled ‘Wage protection and income security for workers in the iron and steel industry’. This document presented the problems facing steelworkers in the industry and resembles the challenges 45 years later:

*'...in view of recent developments in the iron and steel industry, job security and income protection are of greater concern to workers in that industry than any other problem. In recent years there have been rapid changes in the iron and steel industry of the traditional steel-producing countries...all these developments together have brought world iron and steel production capacity to a level above present needs. As a consequence, there is strong competition on the world market for iron and steel products...and this leads iron and steel undertakings...to seek advantages inherent in a reduction of labour cost...these developments may endanger the position of the iron and steel workers in two respects: in regard to their employment and in regard to their income.'* (ILO, 1969: 1)

Having these agreements that represent a commitment to addressing the impact, at least in a financial sense, of job loss for affected employees has been a feature of restructuring at SteelCo and the wider industry. Arguably, though, the history of steel companies acting 'responsibly' – though not exclusively to restructuring – has its roots in the creation of the European Coal and Steel Community (ECSC) in 1952 as outlined in the Treaty of Paris 1951 (ILO, 1969). Though the ECSC was established to bring peace through economic integration across Europe following the horrors of World War 2, the ECSC also sought to provide 'financial support of governments...with a view to assisting workers affected by measures of economic reorganisation in their occupational resettlement.' (ILO, 1969: 42). A fuller discussion of the nuances of the ECSC is not central to this thesis, and indeed the afore mentioned treaty terminated in 2002, but nonetheless highlights the historical precedence for concern for the impact that restructuring has on employees in the steel industry.

In addition, this concern for those steelworkers affected by restructuring was highlighted by Beynon et al (1991) in his comparative research into the UK coal and steel industries, as the main steelworkers' union in 1973 – the Iron and Steel Trades Confederation – accepted job losses as inevitable but would only agree to such changes if there was alternative employment available to affected employees. These agreements have their roots in the nationalisation of the industry, whereby the central planning of the industry also led to a paternalistic style of management that was demonstrative of the industry's responsibility towards its employees (Penny, 2013, Beynon et al., 1991). As a result of these historical arrangements, as noted by

Forde et al (2009), the steel industry has been a fruitful area in which to study responsible forms of restructuring. SteelCo's approach to restructuring, then, has generally followed this logic, where addressing the impact on affected employees has been reflected in both broader industrial level policy and company level agreements.

### **Responsible restructuring at SteelCo: responsible to whom?**

Following on from the above discussion of the development of responsible approaches to restructuring in the UK steel industry and within the specific SteelCo context, this section provides primary empirical data as to the perceptions of responsibility during the implementation of restructuring amongst participants of the research at SteelCo. Three groups were identified during the analysis that indicated to whom SteelCo owed a responsibility to during the implementation of its restructuring process: the employees directly affected; the local community; and the company itself. Whilst identifying three groups answers the question of *who*, more substantive interrogation of the data also demonstrates *why* each group was perceived to be owed a responsibility. Data is drawn from responses of HR representatives, senior management and union participants, although reference is made to the employees' perspectives also, as it was the data from these participants that was most illustrative of the strategic rationale that drove the implementation of the responsible approach to the restructuring process. The discussion focuses on the ways SteelCo sought to demonstrate its responsibility to each group, and was captured through a mixture of interviews and observations of the dynamics of the interaction between HR, senior management and unions. The section begins by analysing the primary group that SteelCo was responsible to: the employees affected by the restructuring.

#### **Employees**

There was an acceptance amongst HR, unions and employees alike that SteelCo had primary responsibility to employees affected by the restructuring processes. Due to the unilateral nature of restructuring – that is, SteelCo imposing it upon the workforce – SteelCo believed it held a responsibility to ameliorate the negative impact on employees. As the demographics of the workforce were skewed towards the older generation, most employees were within 5-10 years of early retirement, a large proportion had worked at SteelCo their whole working lives. For these employees, this signalled a personal, almost sentimental, attachment to the steelworks that justified the reason as to why employees believed that SteelCo owed the workforce a

responsibility when conducting restructuring (MacKenzie, 2006; Forde et al, 2009; Linkon, 2002; Metzgar, 2011). Employees affected by the restructuring spoke about the social and cultural ties to the steelworks, and how these ties meant that SteelCo had a duty to help them through the restructuring process; whether through retraining, redeployment or by offering voluntary redundancy and early retirement.

Furthermore, all participants referred to the way in which SteelCo had an historical tradition of looking after its workforce that was associated with the steelworker occupational identity, as there was a residual paternalistic style of management that had continued since the UK steel industry was a nationalised entity (Blair, 1997, Beynon et al., 1991). Treating the workforce fairly, equitably and responsibly was, then, part of SteelCo's organisational fabric, imbued in its culture and values, and a key consideration when conducting business practices such as restructuring. This also meant that in comparison to other, 'newer' companies that did not have a similar history and culture, there was, in relative terms, a much stronger narrative around SteelCo acting as a responsible employer. Acting responsibly towards the workforce was considered an embedded, historical tradition at SteelCo. Mike was the HR director overseeing the delivery of the restructuring, and he recognised the centrality of SteelCo acting responsibly towards its workforce given his role in the industry for over 25 years:

*Many people have given you near 35 years of their life, you have a bit of a responsibility to ensure that when they go off to another phase of their life, you've equipped them as best as you possibly can. So it's part of who we [SteelCo] are, to be responsible and give people some support before you make that change...maybe that's just a tradition of this particular industry in terms of the way we do take these things seriously. I'm not so sure new companies today are the same, but we have an older generation of people that don't expect to be treated badly. We've had people who have given their lives to us, so they expect to be treated in a certain way. If you came into an industry and stayed three years and then went off somewhere else, those types of individuals wouldn't expect us to put all this effort into restructuring, they would just want a cheque so they can take their bag and skills elsewhere. (Mike, HR director, July 2014)*

There were more practical concerns discussed during the interviews with HR and unions, however, as to how this, seemingly basic, responsibility could be implemented during the

restructuring process. Since most of those affected by restructuring had only ever worked at SteelCo, a key concern was that employees had little experience of the job application process and the external labour market, more broadly. HR, management and unions recognised this, and easing employees through the transition, once they were notified their jobs were redundant, was viewed as an important practical manifestation of SteelCo's responsibility. This type of practical support sought to help employees who were considering employment externally, or into new roles through the internal redeployment process. A more specific discussion regarding the bundle of practices geared towards helping employees through the restructuring is discussed in the next chapter. An aspect of SteelCo's responsibility, though, was to ensure that employees moved into alternative employment post-restructuring, given that the primary consequence of the restructuring was that employees were losing their jobs as a result of SteelCo's actions. One HR advisor involved in the delivery of the restructuring, Andrew, emphasised the practical aspects of SteelCo's responsibility, in that it should address the specific needs of the workforce given the lack of experience that steelworkers had of the labour market:

*The nature of our steelworks is people tend to join relatively young and then stay here for the duration of their lives, so if people do have to leave the business they don't have a lot of other transferable skills, they don't have that knowledge of going through selection and interview processes because they've joined from school and they've never had an interview or been actively involved in trying to find another job in all that time. So we should help them with that, it's an unwritten agreement of sorts. (Andrew, HR advisor, July 2014)*

Another theme that emerged during the research was how demonstrating responsibility was important not only to the employees affected by restructuring, but to the workforce more broadly. By appearing to help employees through the process, SteelCo believed it would be able to present themselves as a responsible company and that even in the face of a negative, questionable business practice such as restructuring, it still cared for its workforce (Vuontisjärvi, 2013, Long, 2012, Hopkins and Hopkins, 1999). Although the immediate responsibility was to those affected, SteelCo perceived the restructuring as having an indirect impact on those remaining with the company; such as those unaffected or ultimately redeployed. This links to the idea of 'survivors' syndrome', whereby HR and senior

management were concerned, prospectively, with the post-restructuring workforce experiencing negative work-related behaviours because of working in the new, restructured organisation; for example, due to work intensification, feelings of insecurity for their own job or even guilt at having ‘survived’ (Sahdev, 2003, Brockner, 1988).

This concern was evident in discussions with HR participants in particular, as they claimed it was important for SteelCo to maintain a positive social and psychological contract with the post-restructuring workforce so as to avoid such negative work-related behaviours (Van Buren III, 2000). SteelCo believed that the post-restructuring workforce would take solace in the idea that were they to be affected by future restructuring, they could rely on SteelCo to treat them in a fair, equitable and responsible fashion. This was a way for SteelCo to shift the negative connotations associated with restructuring into a more positive outlook amongst the post-restructuring workforce. That said, such a concern ultimately sought to ensure that the workforce remained committed to working at SteelCo, and that the company’s operations did not suffer due to an unhappy, or dissatisfied, workforce post-restructuring. Generally speaking, however, acting fairly and equitably despite arguably one of the most negative actions a company can take – cutting jobs through restructuring – was considered by all participants as a clear demonstration by SteelCo of its responsibility to the workforce. Walter was a HR manager involved in the delivery of the restructuring – and more specifically the redeployment of employees through the cross-match process – who emphasised the message that a responsibly conducted restructuring process would send to those remaining at SteelCo post-restructuring:

*If your employees believe that when we’re getting into difficulties we’re going to treat them fairly despite all of this [restructuring], then I’m a firm believer that it buys you loyalty and some kind of discretionary effort. It says to them that they’re working for a company that is not out to, you know, to screw them for every penny or whatever, it’s a company that would in the event that the worst came to the worst, would probably do that in a responsible way. (Walter, HR manager, July 2014)*

In all, SteelCo accepted it owed a responsibility to employees affected by restructuring. This was based on a long historical tradition that linked the culture and values of SteelCo with acting as a responsible employer. That said, conducting the restructuring in a responsible way was



just as much about demonstrating to the whole workforce its ability to act responsibly despite being confronted with an event as negative as job loss, as it was helping affected employees with the impact of restructuring. The next section explores SteelCo's responsibility to the local community when conducting restructuring.

### ***Local community***

A second group to which SteelCo sought to act responsibly towards during the restructuring was the local community in which it operated. The local community was considered as residents and businesses in the geographical region that SteelCo operated. The definition of who exactly was the focus of this group changed depending on the type of participant. Whilst HR and management typically referred to the impact that restructuring would have on local businesses and SteelCo's supply chain, employees and unions referred to the indirect impact on extended families and residents as a result of the personal connections with those affected by the restructuring. As regards extended families and residents, there were strong personal and social networks to SteelCo, which is reminiscent of similar research conducted into such networks within industrial and occupational communities (Beynon et al., 1991, Strangleman, 2001, MacKenzie et al., 2006).

During the interviews employees spoke about how the prospect of losing their job meant their personal and family life suffered, leading to a depressed mood in residential areas, given that most of those in the local community had some connection to the steelworks. In terms of local businesses, other participants spoke about how prices and demand for goods and services decreased at times of restructuring, as it was expected that people would spend less due to losing their jobs and thus income. The strength of the dependence that local businesses had on SteelCo was illustrated by one management participant who stated that they would even know when it was 'bonus month', as this is when they could expect greater spending activity. Despite the different understandings of the local community, there was a clear acknowledgement amongst all participants of the external impact of restructuring, and the need to take account of stakeholders external to SteelCo.

As mentioned earlier in the thesis, SteelCo dominates the local region, employing approximately 4,000 employees with thousands more contractors and suppliers considered

reliant on the work it provides<sup>3</sup>. Many employees and local businesses relied upon the steelworks as their primary social and economic base. In terms of the economic base, employees need the income they receive from employment at SteelCo, whilst local businesses also depend on the spending of that income locally and contributing to the regional economy. The social base, however, was brought into sharper focus during discussions around the social networks and camaraderie that SteelCo afforded employees, with the majority of residents in the area having some personal link to the steelworks as a result; whether through family members or friends who worked at SteelCo. Furthermore, due to SteelCo being the largest private sector organisation in the region, there was naturally much attention and scrutiny placed on SteelCo when announcing restructuring and job losses. There was pressure on SteelCo, then, to ensure it was seen to be addressing the wider impact of restructuring. One HR manager overseeing the engineering workshops restructure highlighted the central importance of SteelCo to the local community:

*I suppose, particularly for this kind of business or industry, we're in an area where we employ the majority of people in this area. So when we go through a restructure it does affect the whole community. I think the responsibility piece has to be linked...I think it's about what message we're sending out to people, and whether it's the right one (Fiona, HR manager, July 2014)*

Much of the discussion in interviews with all participants highlighted how the local community depended on SteelCo to continue to operate and remain viable in the future. HR participants pointed to the existence of EnterpriseCo as indicative of the measures they had taken to address the impact of the frequent, episodic restructuring that had occurred at SteelCo historically. EnterpriseCo was set up in the 1970s with the specific goal of supporting regions and communities affected by restructuring in the steel industry, notably from job losses and plant closures, and to aid the economic regeneration of such areas. The establishment of EnterpriseCo was considered by HR and management as testament to SteelCo's acceptance of its responsibility towards the local community in times of restructuring. During the PA restructuring processes, EnterpriseCo formed part of a 'task force' that included stakeholders from government, employer's associations and unions, and was specifically designed to direct

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<sup>3</sup> As mentioned earlier in the thesis, this number has reduced further due to subsequent restructuring announcements since two processes studied in this thesis. The amount of 'core' employees employed at SteelCo is now closer to 3,000, with many contractors and suppliers still connected to the plant.

social and financial support to employees and communities affected by the restructuring. Government funding was offered to SteelCo, through this task force, and the surrounding region to aid redundant workers in retraining and finding new jobs in the area. As Mike explained, receiving such support and guidance from different groups was important in addressing the impact that restructuring had on the local community:

*We need to see how different groups can help offset the impact on the region and the community, what more can we do to make sure we minimise the impact that it has on the town and the surrounding areas. And you know, even we need that help. We've had a significant impact on the jobs in the area because over the years the works has shrunk. We have to recognise that.* (Mike, HR manager, July 2014)

As discussed in Chapter 2, engagement with a broad range of stakeholders has been characterised as a key aspect to responsible restructuring processes (Forde et al., 2009, Mitchell et al., 1997, Bergstrom and Diedrich, 2011, Papadakis, 2010). What is significant about the SteelCo case, however, was that it was upon the direction of government that a task force to address the restructuring was set up, suggesting SteelCo was compelled to act responsibly and engage with stakeholders as opposed to initiating the engagement itself. Furthermore, by engaging with external stakeholders SteelCo could share and extend its responsibility towards the local community with other actors – such as with the union representatives involved in the task force – deflecting direct attention and scrutiny away from itself whilst also spreading the risks associated with the restructuring. Whilst engaging with a broad range of stakeholders has been considered in the literature key to conducting a responsible restructuring process, as discussed in Chapter 2, it remains unclear to what ends. Indeed, SteelCo benefited from the engagement with stakeholders through external (financial) support and guidance. That said, it also shifted the issue of dealing with the restructuring in a responsible way into a shared, collective issue amongst other stakeholders. Dealing with the restructuring had become a problem to be solved amongst a group of different actors, as opposed to just SteelCo. The next section considers the last group that SteelCo sought to act responsibly towards: the company itself.

### ***The company***

The notion that SteelCo had a responsibility to maintain its own economic viability was expressed amongst all respondents, notably by HR, management and the unions. Of course, the reasons companies restructure is typically because of the need to cut costs in order to remain profitable - or achieve some other organisational goals such as increased efficiency or competitiveness - with employment costs typically being the main target to achieve such reductions (Cascio, 2012, Wilkinson, 2005). SteelCo, then, had an economic responsibility to ensure the future survival of the company by cutting costs through restructuring. This was achieved by SteelCo developing a 'survival rhetoric', as described by HR and management, that formed a narrative of the potential devastation on employees and local community were SteelCo unable to save sufficient costs during the restructuring and be forced to close the plant. The important point here was not whether closure was, at the time, a realistic threat, but rather that the restructuring process was *framed* in this way by SteelCo (Stroud and Fairbrother, 2012, Bergstrom and Diedrich, 2011). Although the restructuring was generally perceived negatively by all participants as it meant implementing job losses, cutting a proportion of the jobs at the time was considered justified by SteelCo and the workforce in order to prevent complete closure of the plant in the future. SteelCo used this survival rhetoric to generate an acceptance and understanding around the need to restructure amongst the workforce and external stakeholders. Consider the following quotes from two members of the HR team involved in the delivery of the restructuring processes, who illustrated the pervasiveness of this survival rhetoric:

*'So this is a nasty thing that we're having to do now but unless we do something we won't be here at all.'* (Bob, HR manager, July 2014)

*'You have got to balance the individual piece also with the business need to actually complete the restructuring and get the savings that you need to keep the business sustainable for the future.'* (Andrew, HR advisor, July 2014)

That many participants understood SteelCo had to cut costs to remain economically viable was an important factor in sustaining the survival rhetoric that surrounded the restructuring processes. SteelCo emphasised the survivalist rationale to ensure that even employees affected by the restructuring understood it as a necessary action. In essence, SteelCo sought to create

the perception amongst the workforce that conducting restructuring was a responsible act *in itself* (Vuontisjärvi, 2013, McKinley et al., 2000). That is, SteelCo was acting responsibly by actually cutting jobs and conducting a restructuring and redundancy process. Restructuring itself was considered the responsible course of action, were the company to remain economically viable for the future. SteelCo sought to present an ostensibly irresponsible act, cutting jobs, as a responsible one through the framing of a survival rhetoric (Bergstrom and Diedrich, 2011, Long, 2012). This is not to discount that SteelCo could well be accurate in the necessity of restructuring for survival, the research at SteelCo did not seek to question the commercial justification for implementing restructuring; as discussed in Chapter 5.

Aside from the economic responsibility that SteelCo owed to itself, it also sought to protect the company's reputation during the restructuring. This was specifically cited in the CEO award application as one of the goals of conducting the restructuring in a socially responsible fashion, where the award explicitly stated that one of the 'corrective actions' – ways to counteract the perceived negativity around restructuring – of the restructuring was concerned with: 'Protecting and even enhancing the reputation of the company during a difficult time' (Appendix 1). SteelCo essentially wanted to ensure it would still be perceived by its workforce and relevant stakeholders, such as the local community, in favourable terms despite making redundancies in conducting its SRR process. This resonates with broader notions of CSR strategies, whereby companies seek to carry out responsible actions in order to enhance the perception of the brand (Campbell, 2007, Carroll and Shabana, 2010).

Highlighting that the company was cutting jobs was not, however, considered by HR and management as a positive way to promote the SteelCo brand. What SteelCo hoped, though, was employees felt they were treated fairly and equitably throughout the process, so much so that post-restructuring they would reflect on the company in a positive way. This relates to the above discussion, where SteelCo sought to demonstrate to the workforce that even despite conducting something as negative as restructuring, they would be looked after and treated 'properly'. Furthermore, SteelCo hoped this would signal to customers and suppliers it is a company that treats its workforce responsibly and that, ultimately, they would still want to do business with them. Alternatively, were SteelCo to act in a way that might be perceived as irresponsible during restructuring, HR and senior management suggested this could deter customers and suppliers as they would not want to be associated with a company that does not treat its workforce fairly and equitably. The HR director, Mike, emphasised the importance of

treating employees responsibly through the restructuring, to maintain a positive image amongst customers and suppliers post-restructuring:

*It becomes a bit of talk in pubs and clubs and stuff like that says, they [SteelCo] did alright by me because yeah I was made redundant but they helped me with it, rather than, those bastards over there made me redundant. Now you will still get that, you can't please everybody all the time, but equally if you think about it if you don't want to become the demon in the area, then other companies and suppliers will think of you like that as well. (Mike, HR director, July 2014)*

In all, SteelCo recognised its responsibility during the restructuring process to ensure its own future economic viability and also to protect its reputation amongst its immediate business community (Carroll and Shabana, 2010). SteelCo used the threat of outright closure, the survival rhetoric, as the only alternative to restructuring to justify its economic responsibility amongst the workforce and external stakeholders, as some job losses at the time would ensure the future survival of the plant. This section considered the groups *to whom* SteelCo understood it owed a responsibility to.

## **Concluding remarks**

This chapter has outlined the key commercial factors that have influenced both the reasons for restructuring, and the development of responsible approaches to such processes both in the UK steel industry and within the specific SteelCo context. Through first introducing the global steel industry context, the rise in volume of steel – notably from China – has caused considerable problems for the UK industry's competitiveness. Even though this thesis does not question these commercial reasons to restructure in depth, providing this context is necessary to at least frame the parlous economic climate faced by the industry. By extension, the research case study of SteelCo is presented, which also faces these broader challenges. That said, there are some specific commercial challenges within SteelCo – such as the closure of certain mills and the changes to work organisation in the finance department and engineering workshops – that provide a more nuanced organisational level context. Again, this background is essential in understanding the scope of the restructuring and the types of employees affected. Furthermore, the roots of a responsible approach to restructuring have been discussed, to bring into focus the way in which both the industry and SteelCo has sought to address the impact that restructuring

has on affected employees. Notably, the final section of the chapter drew on primary empirical data from interviews with participants to demonstrate to whom SteelCo believed it owed a responsibility to during the implementation of its restructuring process. This data was categorised into three groups – employees, local community, the company itself – and provided an analysis as to the rationale that drove SteelCo’s SRR process. The next chapter forms the first of the three key empirical findings from the research at SteelCo, exploring the employees’ experiences of, and responses to, its SRR process.

## Chapter 6: Internalising restructuring: the experiences and identity of steelworkers

That employees affected by restructuring processes experience a range of profound negative effects related to their social, economic, psychological and physiological well-being is well documented in the literature (Gardiner et al., 2009, Kets de Vries and Balazs, 1997, Leana and Feldman, 1992, Dobbins et al., 2014, MacKenzie et al., 2006). This chapter reflects on this stream of literature, as outlined in Chapter 1, in considering the second research question posed in this thesis, which asked: *how did affected employees at SteelCo experience its responsible restructuring process?* That said, this chapter works on the premise that it is not enough to simply highlight the existence of the negative effects of restructuring, as doing so does not generate additional understanding the experiences of employees; it is clear from past studies that facing job loss and redundancy is, for many, a difficult and sensitive time. This was no different at SteelCo, as the data obtained from interviews with employees highlighted concerns related to maintaining an income and being able to provide for families in the event of redundancy, along with issues related to physical and mental health. Whilst these are not insignificant or unimportant, this chapter builds on the identification of the existence of negative effects highlighted in the above literature by considering how the broader restructuring context, in terms of the specific organisational and institutional factors, shapes the way employees responded to, and dealt with, restructuring. A key argument in this chapter is how dealing with restructuring and its effects had become *internalised* and expected as part of working at SteelCo.

To help explain this argument it is necessary to operationalise what is meant by the term *internalised* in this context. Although discussed in greater detail in subsequent empirical chapters, there was a range of long-standing restructuring practices in place at SteelCo that sought to ameliorate the negative effects of restructuring for employees. Coupled with this was the fact that the regularity with which the workforce experienced restructuring meant that there was an internalisation of restructuring, as the experience of such processes became part of what it meant to work in the steel industry and at SteelCo. These previous experiences of restructuring meant that dealing with restructuring, and its associated insecurity, had become an accepted feature of working at SteelCo. It was a result of this internalisation of the process of restructuring and its effects that allowed SteelCo to describe restructuring this time around as socially responsible. It is this context that provides the focus for this chapter.



The chapter is structured as follows. First, some background on the steelworker occupational identity and what is like to *be* a steelworker is discussed before highlighting the relevance of restructuring and its effects to working life at SteelCo. To further demonstrate the process of internalisation, a range of experiences reported by the workforce are presented. The familiarity the workforce had with restructuring was the result of four key, but not discreet, experiences related to the personal, vicarious and historical experiences of restructuring, along with the role the unions played in responding to its implementation. Next, the erosion of SteelCo providing a ‘job for life’ is discussed, highlighting how younger workers expressed greater concern compared to older workers for this erosion, and the impact of the growing tangibility of job insecurity related to working at SteelCo.

Some further discussion is then offered around the identification of a new, discrete category of employee affected by restructuring, described here as inbetweeners. The chapter ends by reflecting on the correspondence of the findings with the categories of responsibility developed in conceptual framework in Chapter 3. The tensions in SteelCo’s self-described SRR process are discussed in relation to the regulatory and employment responsibilities of SteelCo, emphasising the differential impact of the process on younger and older workers in terms of the acceptance of restructuring and the effects of redeployment on subsequent career and development opportunities.

### **Restructuring and the identity of steelworkers**

One of the key areas of discussion with employees revolved around the significance of the steelworker occupational identity to employee responses to the restructuring process. For many employees, restructuring and its associated insecurity had, essentially, become *internalised* such that it became part of what it meant to work at SteelCo and be a steelworker. The notion that restructuring and insecurity was internalised as part of the steelworker identity refers to how workers had experienced restructuring in several ways – both personally and historically – that meant the workforce accepted restructuring as part of organisational life at SteelCo. These experiences of restructuring are explored in detail below. First, it is important to develop some of the contextual underpinnings of what is meant by this steelworker identity, to understand how perspectives on restructuring shaped workers’ responses to SteelCo’s recent SRR process.

A key feature of a steelworker identity identified during the interviews with employees was how people had developed an ingrained view, from the past, that working at SteelCo was a 'job for life'. Employees had an idealised notion of taking a job on the steelworks as an apprentice, or straight from school, joining the union and working until they could access their pension to enjoy retirement from thereon. The age at which employees can access their pension has increased in recent years, but at the time of the research employees could access their pension and take early retirement at 55. The pension scheme at SteelCo is, for most of the workforce, a defined benefit scheme, as opposed to a defined contribution.<sup>4</sup> Broadly speaking this is more favourable because of the lifetime income it provides retirees, but also due to auxiliary benefits related to inflation protection and early retirement options. This career trajectory of working in the steel industry from leaving school until early retirement was a key aspiration for steelworkers and had, over decades, become part of the occupational identity of the workforce.

Employees from the engineering workshops reported that retiring early was desirable not only in terms of the financial pay out from their pension fund, but also due to the physical, arduous nature that working on the steelworks beyond 55 and into old age would have on their general well-being. Furthermore, building up a substantial pension fund for when the opportunity of early retirement arose meant that employees developed a strong material incentive to continue to work at SteelCo in order to receive the favourable benefits offered by the pension scheme. William and Ron were employees in the engineering workshops affected by the restructuring who had followed this idealised career trajectory, each having over 35 years' service working at SteelCo. They illustrated how seeing colleagues follow this trajectory before them had socialised them into a sense of entitlement, expecting the same when they reached pensionable age:

*Over the years you see all your friends retiring with big pots of money and big pension pay-outs and you look forward to and you've stayed with the company all those years to get the pension...It's custom and practice of all those years and all that'd gone before you, you've seen them all retire with nice pension pots, it's a good one as well if you're in the works for your life, it's a brilliant nest egg. (William, engineering workshops, February 2015)*

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<sup>4</sup> The pension scheme at SteelCo is the British Steel Pension Scheme.

*For 38 years I've seen people leave this company at 50, 55 with the golden handshake, you know, pension and redundancy money, and I've thought, nice one mate good to know you I hope I get the same when I'm there. (Ron, engineering workshops, March 2015)*

Whilst William and Ron were of an older generation, younger workers took a similar view of this career trajectory. Further, the strong occupational identity also meant that younger workers were socialised into this idealised notion of what it was to be a steelworker and how it crystallised into an expected career and life trajectory. Many participants had family or friends that worked in the steelworks either at present or in the past, meaning SteelCo was important to them not only in the workplace but also in non-work spheres such as in the local community and at home (MacKenzie et al., 2006, Strangleman, 2001). Despite not having the same extensive personal experience of working at SteelCo as older workers, younger employees accepted that this idealised career trajectory was central to the steelworker identity.

The implementation of enhanced severance packages highlighted the way that SteelCo both complied and 'went beyond' its basic regulatory responsibilities during restructuring. However, due to the notion that leaving SteelCo through voluntary redundancy and early retirement was part of the steelworker occupational experience, as explained by William and Ron above, this meant that at the time of the restructuring there was a large number of employees of retirement age hoping to take voluntary redundancy in addition to early retirement (Casey, 1992). That is, many of the workforce actively *wanted* to leave SteelCo. Charlotte, who had worked at SteelCo for only two years having joined after graduating from university, reflected upon her Dad's response to the restructuring compared to her own. It was evident that for older workers the restructuring announcement posed an opportunity to leave with substantial financial packages:

*When they announced redundancies, my Dad was jumping for joy because he thought, 'I might get out early', and a lot of people, sometimes quite disrespectfully, are like, 'Yes redundancies!' But then there's people like me who was at the other end of the spectrum thinking I'm not going to have a job. There's some people on our plant who are probably desperate for another round of redundancies to come so they can get out. (Charlotte, communications department, February 2015)*

Anticipating restructuring, then, had become a key aspiration of steelworkers, particularly older employees. From this, it was clear that past rounds of restructuring have had a significant impact on what it means to work at SteelCo, and has shaped not only how employees identified as steelworkers, but also how it affects the way employees responded to the recent restructuring announcement. To further understand the role restructuring plays in relation to the steelworker identity, the next section explores how the prior experiences of restructuring contributed to the internalisation of the processes of restructuring and redundancy.

### **Experiences of restructuring**

Previous experiences of restructuring shaped how employees responded to SteelCo's SRR process. There were four categories of experience that illustrated how restructuring and dealing with its effects had become internalised as part of the steelworker identity. It is important to note, however, that these categories are not temporally distinct, they regularly overlapped in how they were understood and presented by participants during the interviews, but are separated here to aid analysis. Following this, the experiences outlined do not refer to discreet instances of restructuring that occurred in isolation, but rather form a set of social and historical processes that developed through the networks and interactions amongst the SteelCo workforce.

The workforce's exposure to a range of restructuring experiences meant the negative effects typically associated with restructuring had dulled, becoming less intense over time due to a growing familiarity with its impact. For the most part, employees reflected upon their own personal experiences of restructuring prior to the current SRR process. This meant that most of the participants already had first-hand experience of their job being made redundant, and going through the redeployment process. These *personal experiences* of previous restructuring processes meant that, over time, employees were more resilient at dealing with its effects, as each time they were subjected to restructuring the severity of its impact became dulled as they managed to retain employment (even if in a different form). A second, and related, experience that helped employees deal with the effects of restructuring was through the sharing of vicarious experiences of restructuring by friends and colleagues who were subjected to it in the past. That is, the majority of employees affected by restructuring either knew someone, colleagues or family, who had been through restructuring at SteelCo before. These *vicarious experiences* of restructuring allowed the workforce to make sense of their own situation by

learning and drawing upon how others dealt with it previously. This was particularly relevant at SteelCo given the strong occupational community afforded by working at the steelworks, and the ability for these experiences to be shared, and made sense of, amongst the workforce (MacKenzie et al., 2006). Mark was affected by the recent finance department restructure, but had experienced restructuring previously, and used the metaphor of restructuring as a bully in the school playground, as bullies consistently torment you with insults – akin to the negative effects of restructuring – but ultimately you become used to those insults, and they stop bothering you:

*I think it's because it's the way the company has done it so often, you do become harder, you know, it's like to protect yourself you become harder. Probably like being bullied at school, you become harder. Or they get used to it, if you're being picked on or name calling stuff like that, you become so used to it. So in the future when people call you names you think to yourself, 'oh sod off I've heard that before, think of a new one'. You just know it already. (Mark, finance department, March 2015)*

A third category of experience that employees drew upon was through the historical precedence of restructuring at SteelCo and, more broadly, the UK steel industry. This contextual backdrop was discussed in Chapter 5, but it is worth reiterating that the frequent, episodic restructuring in the UK steel industry since the 1980s led to a mass reduction in employment at both SteelCo and the wider industry. This broader *historical precedence* of restructuring at SteelCo meant that restructuring was nothing new across the wider steel industry. The workforce came to expect restructuring at SteelCo, and given that the majority of participants had not worked in the industry since before the beginning of the 1980s, the continual reduction in employment was all too familiar. What is significant is how workers used this experience to essentially prepare themselves for dealing with the effects of restructuring. The familiarity that the workforce had established with restructuring meant that although employees were still likely to be affected in terms of the associated negative effects of restructuring, employees had learned how to better deal with these effects over time. This was demonstrated by one younger worker, Andrea, highlighting how although she was wary of future restructuring the recent experience had taught her to accept that dealing with restructuring was simply part of organisational life at SteelCo:

*Well I think I'd always of course be sceptical moving into another restructure. The whole experience has taught me to try not to worry about it too much though, it's a part of life. Because what is the point it's just wasting energy. I don't worry about it, it's too big of an issue for me to worry about so I just don't. I just keep coming to work, getting paid and try not to worry about it. (Andrea, finance department, February 2015)*

Another restructuring-related experience that employees reflected upon was the role that unions historically played in contesting the onset of restructuring, which requires some extended elaboration. Employees reported how they perceived the unions as working alongside SteelCo in the design and delivery of the restructuring process, claiming that this gave them little recourse to protest the proposed restructuring and redundancies (Bacon and Blyton, 2004, Bacon and Blyton, 2006, Cullinane and Dundon, 2011). The way in which employees affected by restructuring relied on, and valued, the unions' support throughout the process was discussed in the earlier empirical chapters. By having close, personal relationships with the unions, the workforce trusted the unions to safeguard their interests and to 'fight their corner' during restructuring processes (Bacon and Blyton, 2004, MacKenzie et al., 2006).

That unions were perceived by workers to have accepted the need for restructuring in recent years – there has been no industrial action in the industry since the pay dispute in 1980 – and that SteelCo is a highly unionised company, meant the workforce essentially accepted restructuring by default. This is not to suggest that the unions controlled or dictated how the workforce should respond to restructuring, but the close personal and social networks between the workforce and union officials meant they trusted the unions to consider their best interests when designing and delivering restructuring processes. Employees regularly praised the union role in interviews – as is analysed in greater detail in Chapter 7 – and the frequency with which affected employees visited the unions' offices during the restructuring was testament to the value employees placed in them. In a normative sense, the role of unions is typically one that protects and advances the interests of its members (Freeman and Medoff, 1984, MacKenzie et al., 2006). Employees accepted the broader SteelCo rhetoric that in recent years restructuring was necessary to ensure future survival of the plant, and at least the unions could play a refereeing role against SteelCo's management prerogative. Ron explained how the unions had cooperated with SteelCo over restructuring to ensure that future survival:

*I think during the last few restructurings, there's been like a possibility of the company closing completely, everybody losing their job. And I think any sort of militant feelings from the unions were suppressed as they'd been happy to go along with whatever as long as we keep the company open and people have a job type thing. It's like, as long as I've got a job and this company stays open let's not upset the applecart too much. (Ron, engineering workshops, March 2015)*

However, there was a counterview reported by employees, that although unions had taken on a more cooperative role with SteelCo during restructuring, this was indicative of the loss of union power. Some employees perceived the unions as having no choice but to accept restructuring as there was little possibility of avoiding job losses outright, but rather they worked with SteelCo and sought concessions where they could do so; with the no hard redundancies policy arguably being the key concession won by the unions. Notably, younger workers typically viewed the unions as powerless when faced with restructuring, as they had little experience of them challenging SteelCo over its implementation. Despite this, younger workers were still members of the union, which represented the adoption and socialisation of the steelworker identity, whereby being a member of the union was a key feature of working at SteelCo. Gary, 28, had worked at SteelCo since joining at 18 as an apprentice, and described this lack of union power when it came to restructuring:

*They ain't got as much power as what they used to have, they've become more 'yes men' I'd say. But that's just from over the years you know, management is proposing this the unions have just got to say yes haven't they. I mean obviously they're going to say no to start with but it's a losing battle because they haven't got as much power as what they used to have. (Gary, engineering workshops, March 2015)*

This view that the unions accepted restructuring and cooperated with the company in its delivery, solidified the belief further that restructuring was something the workforce just had to deal with. Workers had not only internalised the personal, vicarious and historical experiences of restructuring, but had come to learn that even their primary source of protesting restructuring, the unions, were unable to avoid its implementation. Whilst being a union member was viewed as a key characteristic of a being a steelworker, workers had also

internalised the belief that the unions' role was one that cooperates with the company over the design and delivery of restructuring processes.

In summary, there were four key, overlapping experiences that contributed to restructuring and its effects being internalised as part of a steelworker identity. These relate to the personal, vicarious and historical experiences of restructuring, compounded by the cooperation of the unions with SteelCo in the design and delivery of restructuring processes. Discussion with employees about their experiences of restructuring also highlighted how working at SteelCo was no longer considered a 'job for life'. This theme is explored next.

### **SteelCo as a 'job for life'?**

To add further substance to the notion that dealing with the effects of restructuring had become internalised as part of the steelworker identity, a key theme that emerged during the research was the erosion of SteelCo being a 'job for life' (Metzgar, 2000, Linkon and Russo, 2002). For many affected by restructuring, working at SteelCo had indeed been a job for life. Most participants had worked at SteelCo either since they left school, or had done so for a significant part of their working lives. The notion that SteelCo was a job for life arose as a result of discussions with employees and union participants about their previous experiences of restructuring and the associated increasing levels of job insecurity that it now posed. Employees spoke of how although they had long working lives with SteelCo, they had dealt with a constant threat of restructuring and, thus, job insecurity. Warren, who had worked in the Health and Safety department and was affected by the restructuring, described how insecurity had been part of the working environment at SteelCo ever since he started in 1979:

*Since I've started in '79, the steel industry has gone through stage after stage of restructuring, when I came here there was three sites, you know, employing about 12,000 people. There's always been a restructuring as long as I can remember. When you're in that, insecurity it becomes your environment, but I always thought and believed as long as I did my best I'd put my heart and soul into the steelworks... I would be safe. But I was deluded, I was wrong with that. (Warren, Health and Safety department, March 2015)*

Whilst affected workers reported they had been living with insecurity throughout their working



lives, and that the notion of SteelCo being a ‘job for life’ was being eroded because of the continuing experiences of restructuring, the fact they were still employed at SteelCo – some with long tenures of 30 years and more – showed that this insecurity had never come to fruition in terms of outright job loss. Employees took solace in the fact they had managed to stay employed at SteelCo as a result of redeployment through episodic rounds of restructuring. Living with restructuring and insecurity was something that, although employees had experienced it often, remained a largely intangible threat. This is an important distinction, as instead of having a tangible, or material, impact on the workforce, what worried employees was how the traditional, idealised notion of SteelCo being a job for life was threatened.

During interviews, employees affected by the restructuring bemoaned the idea that this job for life status was changing, and SteelCo no longer offered the certainty of employment that had previously been expected. This feeling was particularly prevalent amongst younger employees, as they had seen older colleagues work at SteelCo their whole lives, and aspired to do the same. Even though older workers did not speak of insecurity to the same degree as younger workers, the point was emphasised by an absence of lengthy discussions with older workers as much as it was by its presence with younger ones. One younger interviewee from the engineering workshops, Jane, 28, described how the restructuring had led her to feel that her position at SteelCo was increasingly uncertain:

*I still think there's a lot of uncertainty to be honest, I'm not taking my job here for granted. Quite a lot of people said years ago if you got a job on the steelworks you had a job for life. Whereas now I think that is definitely not true, I'm not thinking I'm safe here put it that way. I don't feel safe within the position I've got, I think it's still uncertain.*  
(Jane, engineering workshops, March 2015)

The extensive job losses in recent years – particularly the 1700 job losses during PA and P2P – heightened the level of insecurity associated with working at SteelCo amongst younger employees, given the frequency with which restructuring occurred. The key difference between younger and older workers, however, was how, despite agreement as to erosion of the job for life idea, they responded to the restructuring. Older workers prioritised the importance of ensuring employment at SteelCo, with little consideration given to leaving SteelCo and finding new employment externally (Strangleman, 2001). For younger workers, they had fewer

material ties to SteelCo as, for example, they had not contributed to their pension fund for as long, nor were they close to retirement age. This illustrated the differential impact that the onset of restructuring had on older and younger workers. Thus, younger workers considered the job for life idea unrealistic, and claimed that they were considering the possibility of leaving SteelCo and working externally.

As discussed earlier, despite the threat of job insecurity, both younger *and* older workers had still worked at SteelCo for much of their working lives. The threat of outright redundancy never fully materialised. The key source of concern for employees, then, was a regret that working at SteelCo was losing an important aspect of its occupational identity. The stability associated with working at SteelCo over time was questioned by younger workers during interviews, who expressed concerns that their working arrangements could well conform to more contemporary employment trends related to, for instance, precarious forms of work, despite having felt protected from this by working at SteelCo. Younger workers considered themselves to be the last bastions of more traditional forms of employment security, before the job for life idea transitioned from an occupational reality to an occupational nostalgia. That is, younger workers felt they were experiencing changes in aspects of the steelworker identity first hand, as their lack of material ties to SteelCo, compared to older workers, and concerns for growing precarity in the broader UK labour market meant they questioned the extent to which SteelCo would continue to be a job for life. Jimmy, 31, highlighted how restructuring in the engineering workshops led him to confront this reality, and that he was now considering a life outside of SteelCo because of the growing insecurity:

*I'd never looked outside for another job. I have to admit, it did make me think well anybody could get made redundant at any time, it's not a job for life. I'd come in thinking it might be a job for life, you hear a lot of people moaning about how the British steel mentality used to be it was a job for life, but I'd always felt secure...But it [restructuring] certainly made me think that my career might not carry on in SteelCo. That if something come up outside I would consider it, I would never have considered it before I'd been deselected, I'd never have considered it. But there's so much uncertainty now. (Jimmy, engineering workshops, March 2015)*

The fact that younger and older workers responded differently to the restructuring highlights crucial differences in how employees experienced SteelCo's self-described SRR process. Whilst younger workers also internalised the effects of restructuring as with the older generation, the issue of living with insecurity at SteelCo came into sharper focus for them given they had fewer material ties to company. Furthermore, that younger workers at SteelCo challenged the notion of insecurity highlights how SteelCo's description of its process as SRR was shaped primarily by responses of the older generation. Put simply, SteelCo were able to describe their restructuring process as socially responsible due to the lack of protest against the restructuring as a result of this internalisation of restructuring and its effects. This lack of protest – as measured by SteelCo in the form of an absence of employment tribunal claims and industrial disputes – was lauded as central to the SRR process at SteelCo. The difference between younger and older workers highlights that SteelCo's restructuring was considered more responsible by the older workers than the younger workers. That older workers recognised the job for life idea was eroding yet did not question the significance of this compared to younger workers, suggests that SteelCo based its description of SRR in relation to the muted response of the older workers.

The findings here demonstrate that not only are responsible restructuring processes shaped by the nature of an organisation's restructuring practices, but that they are also influenced by the dispositions of employees in responding to restructuring; as with the nature of occupational identity and the difference between younger and older workers at SteelCo. In this sense, the restructuring processes impacted both the younger and older generations in different ways, which is not accounted for in research related to responsible restructuring (Bergstrom, 2007, Forde et al., 2009). The next section builds on this distinction between younger and older workers by highlighting further differences that emerged as a result of this internalisation of restructuring into the steelworker identity.

### **Younger workers vs older workers**

Throughout interviews with affected employees there were tensions evident in SteelCo's self-described SRR process. Importantly, these tensions demonstrated the differential impact of the restructuring on younger and older workers. As is analysed in depth in Chapter 8, there were a series of long standing restructuring practices that SteelCo essentially repackaged as part of its 'new' SRR process. To preserve its no hard redundancies approach, SteelCo exhausted all those

wishing to take voluntary redundancy and early retirement to accommodate those not wishing to leave through its cross-match (redeployment) process. This approach disproportionately benefited the older cohort of employees, given they were in more of a position to take the opportunity to access larger severance packages through voluntary redundancy and early retirement. As younger workers were not of early retirement age and any severance package would be substantially less as a result of their lower tenure, they were less likely to benefit from the restructuring practices that SteelCo emphasised as responsible (Casey, 1992).

As set out, the use of voluntary redundancy was viewed by SteelCo as a key responsible practice. The notion as to whether voluntary redundancy was truly voluntary was, however, a point of tension amongst both older and younger workers. For many employees who left with voluntary redundancy and early retirement, the decision was driven by the substantial financial packages on offer and was, essentially, a straightforward one. Amongst this cohort of workers, generally older workers, there was little reflection as to the extent to which the decision to leave was genuinely voluntary (Wass, 1996). For Steve, a union official with 35 years' service and who took voluntary redundancy during the PA restructuring process, the decision to leave was primarily driven by this financial incentive:

*When you leave voluntary they give you a redundancy payment and you can also access your pension early with no penalties. Well actually it's a slight loss, but it was basically amazing financially. When I worked it out I was probably silly if I stayed, it's as pure and simple as that. There would've been no problem with me staying till I was 60, but from a financial viewpoint it would've been...let's just say it made sense. (Steve, union official, February 2015)*

For those taking voluntary redundancy, contractually speaking their decision was a completely voluntary one and was therefore not recorded as a compulsory redundancy, thus appearing to contribute to the supposed responsible nature of SteelCo's approach. Not every employee was motivated by the severance packages offered by SteelCo during the restructuring, however, especially younger workers who did not value the financial compensation above the importance of maintaining employment. By offering employees the opportunity to take voluntary redundancy and early retirement, or to stay and be redeployed through the cross-match process, SteelCo created an illusion that employees had a genuine choice over how they responded to

the restructuring despite representing only a limited set of options (Wass, 1996). By appearing to place the decision into the hands of employees, the responsibility over the decision was essentially passed onto the employee, therefore distancing SteelCo from that decision (de Gama et al., 2012). There were, essentially, two choices available to employees, either taking voluntary redundancy or early retirement, or both, or hoping they would be redeployed into a suitable alternative role at SteelCo. Of course, employees were free to leave SteelCo and pursue employment elsewhere. There were constraints on such a decision though – as noted earlier in the thesis – due to the perceived dearth of job opportunities in the local labour market and the need to sustain a similar level of income (Gardiner et al., 2007). This illusion of choice was recognised by employees; as although there were different options available as to how they might respond to the restructuring, the practicalities of the decision was much more limited in reality.

The ‘choice’ to take voluntary redundancy, then, was constrained by structural factors such as the value of the severance package to employees, whether there was an offer of suitable redeployment and the opportunities of obtaining a similar standard of employment externally (MacKenzie et al., 2006, Gardiner et al., 2009, Gardiner et al., 2007). The factors that influenced an employees’ response to the restructuring was reduced to whether the decision was simply *contractually* voluntary or not, without a consideration of the constraints that employees face during restructuring. Of course, at its most basic level, redundancy involves the termination of the employment contract. The difference here, though, is that a contract which is terminated voluntarily is considered, as claimed by SteelCo, to be a more responsible approach to making compulsory redundancies (Casey, 1992, Wass, 1996, Schröder et al., 2014). Whilst a voluntary redundancy can be lauded as the responsible approach, identifying it in this way usefully masks a range of factors, both positive and negative, that led to termination of the contract. Put simply, voluntary redundancy was not always perceived as truly voluntary by employees. The experience of Henry from the engineering department, with 35 years’ service at SteelCo, was particularly poignant in this regard. As a skilled manual worker in the engineering department, Henry was offered the ‘Storeman’ job – an administrative, data entry role – that he considered below his skill set and, in his view, not suitable redeployment. The following account from Henry is worth quoting at length, as it highlights the tensions around the extent to which the decision to leave voluntarily was genuinely voluntary:

*Because the jobs that they offered me and what I ended up with wasn't suitable, in the end I had to make the decision to go. I actually took VR [voluntary redundancy] because at my age I could get at my pension, even though I damaged my pension because I didn't stay till I was 60, I couldn't take the full thing. I took a little bit of a hit but at the time I didn't really have a choice. That was my only option, or end up maybe with something unsuitable...I was worried to death that I would end up in a job that I didn't want. Even storeman, it was beneath me. And another potential five years till I was 60 or possibility even 65, 66, 67, if the [pension] rules changed, which I could possibly end up doing a job for that length of time that I didn't really want to do. So that playing on my mind as well, which is why I made the decision to leave and go at 55 years of age you see, which I didn't really want to...I still say it, I was virtually forced out, I didn't go of my own accord. (Henry, engineering workshops, March 2015)*

Whilst Henry was an older worker, his experience illustrated that although those taking voluntary redundancy did so because of the financial package on offer, the issue as to whether the redeployment was suitable highlighted a further tension amongst employees during the restructuring. The more nuanced problems with SteelCo's redeployment process – and more generally, its restructuring process – came to fruition in discussions with younger workers. A key theme that emerged was how the cross-match process was less concerned with securing a suitable job for employees, but rather ensuring they secured any available job. That is, affected employees were encouraged to apply for as many jobs during the cross-match process, as opposed to targeting the ones most suited to their skill base. Due to the importance SteelCo placed on ensuring there were no hard redundancies, and thus acting in what it viewed as responsible, the suitability of the roles offered to affected employees became a secondary concern. Employees were encouraged, by both SteelCo and the unions, to apply for as many jobs as possible, with one union participant describing the cross-match process as being about 'getting bums on seats'. Analysis of the recruitment software used by SteelCo during the restructuring showed that in some instances employees were applying for up to 15 different jobs on the cross-match list, most of which were unsuitable to their existing skills and competencies. For SteelCo and the unions, placing people into jobs, suitable or not, was crucial for them if they were to commit to ensuring no hard redundancies. Gary, 28, was affected by the engineering workshops restructure, and described how the cross-match process was simply about placing at risk employees into any job:

*Cross-matching makes it sound like the company is looking after you, sorting you out another job for your specific tasks and qualities, and saying you'd be suited to this job. But that's in my opinion what it should be, you're cross-matched from this job, your skills and your responsibilities should be cross-matched to another job which would suit you. But it was a case of, you're finishing, you're not going to be working here anymore, there's your list of jobs to go for on the board, go apply for as many of them as you can. There was no, I could repeat that all day long, there was no cross-match...it was a free for all. (Gary, engineering workshops, March 2015)*

Whilst older workers emphasised staying with the company to receive the full benefit from their pensions, younger workers reported the negative impact that the 'any job' available approach had on their personal career trajectories. Essentially, older workers who were near early retirement age were happy to move into any available job to protect their pension fund. Employees referred to this as the 'pension trap', whereby they felt obliged to stay employed at SteelCo to continue contributing to their pension fund and receive the full benefit upon retirement, given they had contributed to it for most of their working lives. Indeed, for all older workers interviewed maintaining contributions to their pension fund was the key priority, with the type of job they were redeployed into of secondary importance. This mentality, however, shaped the rest of the process, as SteelCo too prioritised placing employees into any jobs to ensure the workforce could uphold their personal financial commitments; whether through their basic income or pension fund.

For both older and younger workers, the restructuring signalled a move away from a job they had been doing since they left school, or at least for most of their working lives, to redeployment into a job that was completely new. Furthermore, this change was typically viewed by employees as a demotion from what they were trained and skilled for – such as the case with Henry above – and that the restructuring disrupted their career trajectories as a result. Consider the following quote from Mark, another younger worker, who was affected by the finance department restructure, and illustrated the essential disruption the restructuring experience had on his career:

*But because of my career that I've built up, you structure yourself to be able to do more demanding roles and then all of a sudden you're put down in a lesser role...I'm sorry but*

*something which you wouldn't expect, something that is now going back 15 years to when I first started out in my career and to me this [the restructuring] is, well, it's a real step back* (Mark, finance department, March 2015)

These differences in response from older and younger workers further demonstrates that SteelCo's restructuring process was *more* responsible for older workers. This is problematic, as SteelCo based its SRR criteria on the older workers' decisions in response to the restructuring meaning that the experiences of younger workers were not fully accounted for and therefore not addressed. As a result of the experiences of restructuring and its effects being internalised as part of the steelworker identity, the majority of those affected were indifferent to the retrospective description of SRR by SteelCo. Such acquiescence was evident during interviews as employees did not consider themselves to have been subject to a new, or unique, *responsible* process, as this was a term that was primarily used by HR and management once the restructuring process had ended. It was possible for SteelCo to describe its process as SRR because dealing with restructuring, more generally, was so embedded within the steelworker identity, meaning there was no protest against restructuring amongst the workforce. Whilst younger workers accepted that restructuring and its effects was part of what it meant to be a steelworker, the excessive restructuring in recent years meant they perceived restructuring and its associated insecurity as a more tangible threat in the future. Overall, the findings here further demonstrate the importance of taking into account the local contexts, such as with particular aspects of the steelworker occupational identity, in which restructuring is implemented when assessing responsible restructuring (Bergstrom, 2007). At SteelCo, its description of SRR was made possible by the conduciveness of the steelworker identity towards dealing with, and accepting restructuring and its effects.

### **Further discussion: victims, survivors and inbetweeners**

Taken together, analysis of findings from affected employees also points to a new, analytically discrete, category of employee affected by restructuring, described here as *inbetweeners*. An emerging issue from the above findings from SteelCo related to the way that although employees were affected by restructuring, in that their job was made redundant, many employees remained at SteelCo as a result of the internal redeployment (cross match) process. The experiences of these employees thus reflected characteristics of both a 'victim', as their jobs were made redundant and were personally affected, and 'survivor' status, as they remained



employed at SteelCo albeit in new roles, as described in the HRM literature (Sahdev, 2003; Devine et al, 2003, Teague and Roche, 2014). For instance, data obtained from interviews with employees highlighted concerns related to maintaining an income and being able to provide for families in the event of redundancy, along with issues related to physical and mental health, which are typical consequences of a ‘victim’ status (Ket de Vries and Balazs, 1997). As regards survivors, although inbetweeners employees are similar in that they both remained at SteelCo following the SRR process, inbetweeners’ experience was distinct in that such employees experienced redeployment into a *new* job that relied on SteelCo’s provision of relevant retraining or reskilling. Such employees’ experiences thus, it is argued here, fell between in the interstices of both victims and survivor status.

As discussed above, there were a range of experiences of restructuring and specific organisational factors that shaped the perceptions of employees to SteelCo’s SRR process. That many employees had historical, personal and vicarious experiences of being subject to restructuring meant they had become familiar with the process of internal redeployment, and the way that affected employees are placed by the management and unions into new roles elsewhere at SteelCo during such processes. A fuller discussion of the implementation of SteelCo’s internal redeployment process (cross match process) is discussed in Chapters 7 and 8, further demonstrating its implications for inbetweeners. Put simply, despite employees taking new, redeployed roles, the experience of redeployment was associated with a sense displacement and insecurity for those affected. This was evident in the above analysis of how younger workers challenged the extent to which working at SteelCo could still be considered a ‘job for life’ during interviews, and the way in which the experience of cross matching was perceived as disruptive to employees’ career trajectories. Furthermore, the specific constraint of pension entitlements – the ‘pension trap’ – also meant that affected employees were more accepting of their ‘inbetweeners’ status, as priority was afforded to, especially amongst older workers, securing the full benefit of their pension contributions by remaining employed at SteelCo until retirement age. This meant that older workers were typically acquiescent as to the jobs they were redeployed into, permitting SteelCo to maintain its commitment to ensuring no compulsory redundancies and securing a job for those who wished to stay.

The identification of inbetweeners as a new category of affected employee is not necessarily unique to *responsible* approaches to restructuring, however, as such a group may emerge from generic, processes not explicitly described as responsible, restructuring processes also. The

significance of inbetweeners were identified, though, due to the fact that SteelCo afforded great emphasis to its internal redeployment process by celebrating its implementation as a central aspect of its employment responsibility to affected employees, and to its overall SRR process. The importance SteelCo attached to the cross-match process is presented in greater detail in Chapter 8, but it is worth highlighting here that the inbetweeners category was a prominent theme to emerge from the analysis of employees' experience of SteelCo's SRR process.

### **Concluding remarks**

This chapter has explored the workforce's experiences of SteelCo's self-described SRR process. A key argument of this chapter is that whilst employees suffered from the social and economic impact of restructuring, dealing with restructuring and its associated negative effects had become internalised as part of the steelworker occupational identity. This meant that the workforce, essentially, acquiesced to the description of SRR by SteelCo as they accepted, whether it was described as responsible or not, that restructuring was simply part of organisational life at SteelCo. Due to the lack of protest against the restructuring amongst the workforce, SteelCo managed to avoid any legal challenges or industrial unrest, thus forming a key, self-defined, criteria to its claim of SRR. Furthermore, analysis of the response from affected employees in this chapter highlighted a range of issues pertinent to the way SteelCo implemented its responsible restructuring process. The response of affected employees illustrated the tensions in implementing such a process, and the challenges associated with addressing two categories of responsibility – regulatory, employment – in practice. This chapter thus concludes with some reflections on the correspondence of these findings with the conceptual framework developed in Chapter 3.

A central practice implemented by SteelCo's that was crucial to the response of affected employees was the provision of severance packages above the statutory redundancy payment rate for those opting to take voluntary redundancy. In addition, those who were old enough enhanced their overall severance package through their entitlement to a retirement lump sum and access to their pension. The sizeable severance package – in some instances six figures – thus proved a clear incentive for affected employees to leave SteelCo, with the data suggesting that many were generally positive about being made redundant and actively wanted to leave in order to receive the financial benefit. Thus, at face value, and reflecting on extant literature outlined in the conceptual framework, SteelCo had not only complied with legislation, but had

also ‘gone beyond’ what was required of it through the provision of enhanced severance packages (Ahlstrand, 2010). In this sense, SteelCo could be perceived to have addressed an aspect of its *regulatory* responsibility in the implementation of its restructuring process. That said, analysis of the characteristics of the workforce, and notably the steelworker occupational identity, revealed that for employees to leave with a combined voluntary redundancy and early retirement package was not perceived by employees as a distinctly *responsible* practice. Instead, leaving SteelCo in such a way was viewed by employees to be a custom, and even ambition, of working in the steel industry, and therefore an expectation associated with the steelworker career trajectory (Strangleman, 2001, MacKenzie et al, 2006, Gardiner et al, 2007). This was demonstrated in above analyses around the way in which employees at SteelCo had internalised the experience of restructuring – personal, vicarious, historical and the role of the unions – and were thus indifferent to the description of the process as ‘socially responsible’ by SteelCo. The findings here therefore point to the notion that it is not enough to simply identify practices that suggest the incidence of organisations upholding their regulatory responsibilities, but to acknowledge how different occupations and occupational identities perceive the implementation of associated restructuring practices.

Much of the discussion with affected employees understandably revolved around their employment prospects following the restructuring process. Although a central practice in SteelCo’s SRR process was the redeployment of affected employees into roles elsewhere on the site, many employees perceived this a disruption to their careers and reported a deterioration of the notion the SteelCo was a ‘job for life’. As discussed in Chapter 3 with reference to the conceptual framework, important tenets of organisations addressing their *employment* responsibilities during restructuring relate to avoiding (compulsory) unemployment for those affected and thus establishing internal redeployment processes to rehouse employees (Forde et al, 2009, Kieselbach and Mader, 2002). Again, although such processes were evident in the SteelCo case, the findings point to challenges for organisations implementing responsible restructuring processes given the way different employees perceive the effectiveness of associated practices. Tensions emerged through discussions with younger and older employees, with the former highlighting dissatisfaction with the cross match (redeployment) process implemented by SteelCo, wherein the jobs they were redeployed into were deemed unsuitable to their existing skillset and competencies.

Following this, the cross-match process was perceived by participants as benefitting older workers more compared to younger workers, as the former were more accepting of redeployment, and staged little protest, into *any* job rather than placement into a *suitable* job. This was because they were closer to pensionable age or even early retirement, as discussed earlier in the chapter. Furthermore, given the majority of affected employees were closer to pensionable age (older workers), SteelCo's implementation of the cross-match process was driven by a disproportionate emphasis on ensuring older workers were at least redeployed into any job. Indeed, SteelCo stood to gain more from the acquiescence of the older workers and as such aligned its SRR criteria, and strategy, with the aspirations of the steelworker identity; notably through the offering of voluntary redundancy and early retirement to older workers and its subsequent facilitation of ensuring no hard redundancies (Casey, 1992) This came at the expense of a perceived lack of provision of support services for younger workers concerned about their career and development opportunities subsequent to redeployment. Again, the findings highlight that although the incidence of certain employment-related practices may ostensibly address an organisations' employment responsibilities during restructuring, such as the cross-match process at SteelCo, the efficacy of such practices is dependent on the dispositions of employees affected by such processes. That is, the SteelCo research indicated inconsistencies in the implementation of the cross-match process across all affected employees, notably in relation into the differential demands of younger and older workers.

Emerging from the analysis of SteelCo's attempt to address its employment responsibilities, this chapter also highlighted the identification of a new, analytically discrete, category of employee affected by restructuring, described here as inbetweeners. The experience of inbetweeners can be defined as employees whose experience of restructuring is characterised by being both a victim and a survivor of SteelCo' SRR process, as outlined in the above discussion section. The next chapter expands the analysis from the employee perspective and considers the role of the unions in SteelCo's SRR process, focusing on the negotiations between management and the unions in the design and delivery of the process.

## Chapter 7: the role of trade unions in SteelCo's SRR process

An engagement with a broad range of stakeholders has been considered an important organisational practice in the implementation of responsible approaches to restructuring in both the policy and academic literature (Forde et al, 2009, Bergstrom & Diedrich, 2011, Auer, 2001). In particular, the response of trade unions as a key stakeholder in the implementation of restructuring has been the focus of much extant research, though there has been limited attention afforded to their role in specifically *responsible* restructuring processes. Although organisations are legally required to engage with trade unions, or the relevant employee representatives where trade unions are not present, during restructuring, compliance with such regulation has been argued as the basic minimum standard for organisations seeking to act in a responsible manner (Campbell, 2007, Stuart et al, 2007). Thus, the significance of the interactions, and negotiations, between SteelCo and the trade unions in the implementation of its restructuring process constitutes a central 'responsible' best practice to be explored in this chapter, as developed in Chapter 2. This chapter, combined with Chapter 8, addresses the final research question of the thesis, focusing on the trade union's contribution to SteelCo's SRR process: *did the implementation of a best practice approach to responsible restructuring contribute to SteelCo's addressing its responsibilities during its SRR process?*

A key finding in this chapter emphasises the important role that the unions played in both contributing to the practical design and delivery of the restructuring process, and its subsequent description as SRR by SteelCo. The way in which the management-union negotiations around the restructuring process was based on a move towards a more integrative bargaining arrangement between SteelCo and unions is also discussed as a way for unions to respond to responsible approaches to restructuring (Walton and McKersie, 1965, Garaudel et al., 2008, Roche et al., 2015). Whilst the unions had little choice but to engage with SteelCo over the process, both legally and in relation to parlous economic climate that drove the restructuring, their role in supporting both the employees with their concerns and the HR team in delivering aspects of the restructuring highlights their role in contributing to the *management of change*, as opposed to outright *prevention* of job losses.

To aid the following discussion it is worth briefly outlining the workforce's perception of the unions' role at SteelCo, to ensure that subsequent references in this chapter are understood in their appropriate context. The unions at SteelCo were perceived – as with prevailing

understanding on the role of the unions by the workforce more generally – as protectors of the workforce’s interests, regularly negotiating with SteelCo over improvements in pay and working conditions and representing employees in grievance procedures (Bryson et al., 2013, MacKenzie et al., 2006, Freeman and Medoff, 1984). There was nothing particularly unusual about the unions’ role at SteelCo; it reflected much common sense understanding about what unions ‘do’ (Freeman and Medoff, 1984). That said, at SteelCo the unions had always, essentially, accepted the need to restructure, with no overt protest, historically, to its implementation; with no cases of outright industrial action over job losses recorded since the 1980s. At the point of the announcement of the SRR process, the unions’ response was no different to past rounds of restructuring; not agreeing to cutting jobs but working with the company in a capacity that sought to mitigate the overall impact of the restructuring for the workforce (Pulignano and Stewart, 2013, Frost, 2000, Frost, 2001). What is demonstrated in this chapter, however, is how SteelCo actively exploited this perception, and role, of the unions as the protectors-cum-safeguards of the workforce’s interests. This was done in an attempt to achieve a more responsible outcome, and contributed to SteelCo ultimately describing its process as SRR. This was achieved despite a lack of formal recognition of the unions’ role in the aftermath of the restructuring – as the discussion of the CEO award below demonstrates – yet came into focus through interviews with participants; a point also reflected in the interviews with senior union officials.

This chapter is structured as follows. The first section explores the negotiations between SteelCo and the unions prior to the announcement of redundancies, emphasising the importance SteelCo placed on involving the unions in procedural aspects of the implementation of its restructuring process. The second sections consider the union role in the restructuring process in greater detail. This section highlights the tensions in the union response, analysing the extent to which they were perceived as being complicit in implementing redundancies, yet also provided crucial support to both the HR team and affected employees. The chapter ends with some discussion and concluding remarks, reflecting on the way that the unions involvement in SteelCo’s SRR process contributed to SteelCo’s achieving its procedural and communication responsibilities during restructuring, thus reflecting on relevant conceptual tenets discussed in Chapter 3

## **Achieving responsibility: using the unions**

Having demonstrated that SteelCo accepted its responsibility to three key groups when conducting restructuring, it is important to explore *how* this was established. That is, the ways in which SteelCo sought to ensure that a responsible approach was instilled throughout the process. During the research, discussions with all participants highlighted the role that the on-site unions played in the design and delivery of the restructuring process. The close engagement between SteelCo, notably HR and senior management, and the unions was lauded as key to the restructuring and its subsequent description as socially responsible. Thus, this section focuses on the role that unions played, and the negotiations between SteelCo management and the unions during the restructuring.

The engagement between SteelCo and the unions was not limited to the legally binding consultation process however – as detailed in TULR(C)A 1992 and EU Council Directive 98/59/EC – as the unions were informed some six months prior to the official announcement of the respective PA and P2P restructuring processes. Unions were invited to meetings with senior management at SteelCo HQ in London, where the decision to restructure was presented to them. SteelCo viewed this as establishing an open and honest line of communication with the unions, to not only inform them about the economic difficulties the company was facing but also to gain their input as to how to conduct the restructuring process. Whilst the unions were *informed* that SteelCo was going to restructure, this early engagement offered the unions a chance to respond and work with the company over how the restructuring was to be implemented. In this sense, although the unions had no input over the *decision* to restructure, they were offered input as to the *process*. Such an arrangement reflected a longer acceptance of the unions towards restructuring, whereby there has been little protest as to its implementation historically. This idea was explored in Chapter 6, but is important to reiterate here.

Interviews with HR, however, highlighted its belief in the importance of the unions agreeing to the restructuring – one participant described it as needing the unions to be ‘on board’ – and to present a unified front to the workforce and the media at the time of the announcement. Efforts were made by SteelCo to engage with the unions as early as possible in order to demonstrate there was a joint understanding between SteelCo and the unions over the necessity of the restructuring. HR stressed that engagement with unions was not simply about *appearing*

to be unified, but that there was a genuine understanding between both HR and unions over the need to restructure, along with meaningful negotiations as to how to implement the process in a mutually beneficial way. Mandy was a HR manager involved in the negotiations with the unions over the restructuring, and explained how the engagement with the unions was key to generating an acceptance over the need for restructuring:

*I think that [engagement with unions] made a significant difference because it felt like the rationale for everything we were doing had really been through the wringer before we got anywhere near making an announcement about job reductions. We'd been through a process where everyone understood why we were doing what we were doing and that it had been tested and debated on numerous occasions...it's not all just for show, it's real because it gives people comfort that the process really has been tested and challenged before you actually get to telling somebody they're at risk of redundancy.*  
(Mandy, HR Manager, July 2014)

It is worth discussing the more specific process of attitudinal structuring, as outlined in Chapter 3, as to how SteelCo bargained with the unions to ultimately accept the decision to restructure (Walton and McKersie, 1965, Garaudel et al., 2008). To generate an acceptance from the unions as to the restructuring, SteelCo framed the PA restructuring process as part of a broader commercial plan. The commercial plan focused on maximising market opportunities, managing investments on the most profitable product lines and instilling further functional flexibility across the workforce. Thus, 1200 jobs were cut, involving the closure of a whole mill<sup>5</sup>. SteelCo emphasised that the PA process was more than simply job losses, and was about shaping the company's future towards higher quality, higher value-added steel production. SteelCo promised the unions that planned job cuts were underpinned by future investment in training and skills for the workforce, creating greater functional flexibility across the plant. The unions agreed to the job cuts on the basis that actions would be taken by SteelCo to improve the skill base of the remaining workforce. In addition, SteelCo agreed to the unions' demands of ensuring there were no compulsory (hard) redundancies during the restructuring. Although no hard redundancies were a long-standing feature of restructuring at SteelCo in any case,

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<sup>5</sup> In terms of the P2P restructuring process, union participants – and some of the HR team – largely viewed it as a residual restructuring as a result of the failures of PA. That is, the PA process failed to deliver the intended commercial goals and thus more jobs (500) were cut in P2P to compensate for that failure.



SteelCo were not legally obliged to accept this, even though it had, essentially, become a *de facto* agreement between SteelCo and the unions in times of restructuring.

This engagement between SteelCo and the unions was no different, in principle, to typical bargaining arrangements over restructuring, in that clearly negotiation between employer and unions occurred (Walton and McKersie, 1965). There are typically certain demands or concessions sought by either actor; at SteelCo, the unions accepted the job losses on the promise of future investment in the skills of the workforce and that there would be no compulsory redundancies. Although SteelCo described its restructuring process as responsible retrospectively, HR and management celebrated these early negotiations with unions as a key determinant in the description of the process as SRR. This was more indicative of an integrative approach to bargaining over restructuring, as there were gains, to a greater or lesser extent, for both SteelCo and the unions (Walton and McKersie, 1965, Roche et al., 2015, Garaudel et al., 2008). This is in contrast to the more traditional, distributive forms of bargaining that typically characterise restructuring processes, resulting in conflict between employers and unions over the outcomes (Garaudel et al., 2008). The engagement between SteelCo and unions led to a bargaining process where, ultimately, both actors agreed to the proposed outcomes, and what might have been a traditionally conflictual situation resulted in a process that complemented the views and interests of one another. Put simply, the retrospective description of the process as SRR was claimed by participants to have been shaped by the initial integrative approach between SteelCo and the unions.

There were tensions, however, between SteelCo and the unions during the negotiation over the proposed restructuring process; the former sought job reductions and the latter did not. Preserving jobs is, arguably, the unions' *raison d'être*, and thus agreeing to job reductions appeared inconsistent with an historical and ideological union tradition. This is explored in greater detail below, as regards to the unions' complicity in the restructuring process. Sandeep, a senior union official who had been a member of the union for 30 years, expressed concern as to whether unions should be involved in a process that, ultimately, results in job cuts. That said, Sandeep highlighted the relevance of the cooperation between SteelCo and the unions, despite his initial concerns:

*We pulled back and said “should we be taking part in redundancies?” There’s all them hard discussions. We want to work with the management in the respect that I’d sooner do that and have an amicable outcome than take the traditional trade union stance of we’re not going to have redundancies, we’re going to fight them. Because that would have been easier to do, and said no we’re not having this. Is it the responsible thing to do for the company? I suggest not, because if you take the ostrich head in the sand approach and say, it’s not happening we’re not making people redundant. You know that’s not the responsible way. Can we save all these other people a job? Yes, if we work with you. So, on we go. (Sandeep, senior union official)*

Although the engagement between SteelCo and the unions was important in reaching an integrated outcome, SteelCo ultimately achieved its goal of job reductions. More significantly, this engagement allowed SteelCo to utilise the unions’ credibility amongst the workforce to further cement the need to restructure. SteelCo sought to break down the image of restructuring being a purely management-led process by actively promoting the role of the unions’ participation throughout the process. Due to the perception of the unions amongst the workforce as protectors against management prerogative, the union afforded SteelCo’s intention to restructure greater legitimacy.

During attendance at redeployment and governance meetings it was observed that representatives from HR and the senior management team often made reference to delegating the management of, what they considered to be, particularly difficult employees affected by the restructuring to the unions. The extent to which an employee was considered difficult by HR and management was usually characterised by a lack of response to e-mails or other forms of communication, or through a failure to engage with the internal redeployment process. In such cases, the unions were asked to speak to ‘difficult’ employees to understand their situation using a more informal, private approach that the HR and management team felt incapable of adopting. There was an understanding in such meetings that the unions were best placed to deal with difficult employees, given the closer social bonds and networks between the unions and the workforce, as discussed in Chapters 6 and 8. Put simply, SteelCo believed that if the unions were actively helping them to manage affected employees and thus accepted the restructuring, then so would the rest of the workforce, thus limiting any unrest or protest. SteelCo believed it was better for its reputation to demonstrate to the workforce that it was not just itself cutting the jobs, but that the unions were also involved. As one HR manager, Bob, explained, it was

important to present a plurality of opinion on the need to restructure, and the unions' voice was a valuable way of achieving the credibility of SteelCo's decision amongst the workforce:

*So the engagement with the unions is an important thing and building up with the unions trust and respect so that you make sure you are dealing with it as one body, so the people on the shop floor see one voice, they don't see a union opinion and a management opinion, they see an opinion and a view of how we are going to progress.' (Bob, HR manager, July 2014)*

SteelCo thus believed that greater significance was ascribed to the need to restructure amongst the workforce given that it was working together with the unions in the design and delivery of the restructuring process. The commercial situation at SteelCo was perceived as so poor that an even organisation, the unions, established to *preserve* jobs were involved in the *removal* of jobs. Therefore, according to responses from management and HR participants, any discord amongst the workforce towards SteelCo was reduced. As one HR participant described, the workforce would view the process as not just 'those idiots from HR', but rather a joint approach between SteelCo and the unions. Arguably, then, the engagement with the unions was simply pragmatism on behalf of SteelCo, as they exploited the unions' position to generate a broader acceptance, and therefore less protest, around the need to restructure. The unions were involved in the restructuring throughout the process in several ways, such as: chairing the cross-match committee; writing joint management-union communication bulletins; and using union skills and training services to offer support to employees affected by the restructuring. Bringing the unions into the process early, such as the inviting key senior union officials to the London HQ six months prior to the announcement of redundancies, allowed SteelCo to break down the perceptions amongst the workforce, and the unions, of the restructuring as being about management versus unions. During time spent in union offices throughout the non-participation element of the research, senior union officials acknowledged that their visibility alongside SteelCo was beneficial to the initial announcement of redundancies. Sebastian was a senior union official involved in the early negotiations around the restructuring and its subsequent implementation, and highlighted how simply having the image of the trade unions, as the workforce's protectors, at the centre of the process eased the impact on the workforce:

*You have an announcement and then you have instant fear and worry amongst the workforce. They [SteelCo] then spend the following weeks saying to them “Trust us, we're a responsible company and we have a very responsible trade union group, and actually look there's the chair of the group he's a multi-union man, trust us, don't worry.” You then set people at rest and almost take the sting out of it and actually people are just relaxed about the process because they see the unions too. (Sebastian, senior union official, July 2014)*

Whilst the unions' role was considered key to the subsequent description of SteelCo's process as responsible, analysis of the findings indicated a concern amongst participants towards the motives of SteelCo's engagement with the unions. At face value, there was agreement between both actors, signalling a move along the spectrum from bargaining over restructuring being necessarily distributive towards a more integrative form (Garaudel et al., 2008, Roche et al., 2015). Ultimately, though, this may be interpreted as simple pragmatism on behalf of SteelCo, as a way to gain the unions' acceptance over the need to restructure and, by extension, the broader workforce's. SteelCo promoted this engagement with the unions in order provide further credence, and legitimacy, to the need to restructure, reducing protest from the workforce. The remainder of this section explores the union role in SteelCo's SRR process in more detail regarding two sub themes. First, the way the unions were essentially *complicit* in the restructuring and job reductions is analysed further, despite contradicting the very purpose of a union being to preserve employment. Secondly, the argument that unions' *support* to employees through the process contributed a greater sense of responsibility within the process is proposed. These two subthemes emphasise the role unions played in contributing to the subsequent description by SteelCo of the process as socially responsible.

### ***Union complicity***

Union responses to restructuring vary based on local arrangements between employers and unions (Pulignano and Stewart, 2013, Frost, 2000, Frost, 2001, Bacon and Blyton, 2004). The unions at SteelCo were closely involved, in terms of negotiations over the commercial plan and the implementation of the process of actually cutting jobs, in the design and delivery of the restructuring. As mentioned, participants – notably the unions and HR – perceived the union role as the antithesis, in ideological terms, of the purpose of the unions, as they contributed to the removal of jobs as opposed to their preservation. This role is described here as the unions

*complicity* towards the removal of jobs during in the restructuring process. Of course, the unions did not actively cut jobs at SteelCo; they were not the initiators of the decision to restructure.

All participants, particularly senior union officials, reflected on this conflicting role of the unions during the research. Unions accepted during interviews that their role in the restructuring may be interpreted as a violation on the traditional union ideology of preserving and protecting employment. The manner in which the negotiations over the restructuring were discussed during interviews suggested that unions justified their role by stating their disagreement to the job losses, but agreeing to ensure the implementation of the broader commercial plan, of which the job losses were an unfortunate by-product. Given the history of unions negotiating with SteelCo over restructuring, this arrangement was not necessarily, in terms of organisational strategy, different to previous rounds of restructuring. SteelCo had always conducted restructuring under the banner of some new commercial goal or plan, reflecting the inevitability with which the need for restructuring is typically framed by management (Stroud and Fairbrother, 2012). What was different in the restructuring processes researched, however, was how the unions' acceptance to the necessity of restructuring was lauded by SteelCo. The unions did not necessarily object to being lauded within SteelCo's rhetoric of a responsible process, however, as the findings from interviews illustrated the way that unions had reconciled this with an acceptance of the need to restructure given the parlous economic climate the company faced. That said, this internal conflict was evident amongst discussions with union participants, but Francis – a senior union official who was a member of the union since he left school 25 years ago – explained that ensuring the future survival of the plant was the main priority and worth the sacrifice given SteelCo's survival rhetoric and the loss of *some* jobs at the time:

*How can a trade union tell a guy, sorry mate you're gonna have to go and our role is the opposite, to fight for jobs? It flies in the face of what we're about...it's kind of twofold, your main priority as a trade union official is to represent your members and get the best deal for your members, make sure they're treated fairly, and you've also got a responsibility as well for the future members, the future of the business, therefore we have a responsibility to try and work with the restructuring to make sure the business is still here for that future (Francis, senior union official, July 2014)*

Instead of the unions *preventing* job losses, their role focused more on the *management of change*; that is, working with SteelCo in ensuring the fair, responsible implementation of the restructuring process. Due to this, the unions' role was not perceived negatively by participants, particularly employees affected by the process. Of course, the unions would have preferred to not restructure and allow everyone to keep their jobs. If restructuring had to happen, at least the unions could contribute and shape the process in a way they believed to be fair and responsible, such as by using specific union support services and ensuring no compulsory redundancies. This involvement was heralded by the unions as them standing up and accepting the 'reality' of the economic difficulties facing SteelCo, by acting in a mature and responsible fashion (Stroud and Fairbrother, 2012, Pulignano and Stewart, 2013). The HR team typically referred to the unions as forcing them to consider the implications of their actions during the restructuring, acting as a constant safeguard against management, and SteelCo more broadly, prerogative. There was an understanding amongst HR and senior management that the unions played a vital role in the management of the restructuring process, and to abandon that would lead to a consequently poor industrial relations climate as SteelCo would, despite the unions' protest, conduct the restructuring regardless. HR and senior management believed it was better for the unions to be cooperating and working with SteelCo, rather than unproductively protesting it. The HR director, Mike, described how the no compulsory redundancies approach was an important concession for the unions, and illustrated the importance of the positive role they played in managing the restructuring process:

*They'll [the unions] work with you as long as you don't force anybody out the business, and partly and they wanna work with us so they can influence things like cross-match, options, or training support so, what they gonna do? Spit their dummy out and go in a darkened room and bang tables and let us get on with it? Because legally we can. Or do they wanna be in the tent with us? So, from their point of view why would you not engage and work with us? (Mike, HR director, July 2014)*

Despite an acceptance that the unions made a positive contribution to the restructuring process, in essence they had little option but to do so. That said, this was justified by the strong emphasis on the need to restructure given the poor economic climate, but also the capacity that the unions did have to implement certain practices into the process – such as cross-matching and support

services discussed in Chapters 6 and 8 – which contributed, ultimately, to the description of SRR by SteelCo. Whilst the unions appeared complicit in the removal of jobs, their role proved a double-edged sword in that their involvement did also lead to more favourable outcomes for employees than if they had not engaged the way they did. These findings suggest that unions may have a role in contributing to more responsible outcomes during restructuring, in not only the management of change but specifically in the context of organisations seeking to demonstrate their responsibility in relation to the procedural aspects of responsible restructuring. The next section considers this idea further, by looking at some of the other ways in which the unions supported the broader restructuring process and contributed to its subsequent description as socially responsible.

### ***Unions' support***

It is unsurprising to note that the workforce had personal and social relationships with the senior union officials that had accrued throughout their working lives. This meant that during the restructuring process, employees sought support from the unions based on those closer, social networks. In this sense, the unions provided an important source of support for employees, who reported that the unions acted as a valuable counterbalance to the often distant, impersonal approach from HR. The senior union officials frequently visited the workforce out on plant, and socialised with them more, than members from HR, in terms of eating lunch together and social events – such as at regional union meetings and charity fundraising days out – outside of the workplace. This role of the unions is also woven through the analyses in Chapters 6 and 8. It is important to stress here, though, that the unions played a vital support role for employees during the restructuring process.

Employees reported feeling more comfortable seeking advice and guidance from the unions than that of HR. The importance of the unions to employees during the restructuring process cannot be overstated. Nearly all participants affected by the restructuring spoke about the value they placed in the union during the restructuring process (Bryson et al., 2013, MacKenzie et al., 2006). Indeed, there was evidence reported at regional union meetings of non-union employees, which was a very small percentage, joining one of the unions in the period between the PA and P2P restructuring to give themselves confidence that were they affected again they could refer to the union as a source of support. Observations at union events highlighted in some cases it was even the source of some humour, the way that participating in the cutting of

jobs could prove an ironic approach to recruiting new members into the union. The personal relationship between the union officials and employees, and the workforce more generally, was a valuable support mechanism for affected employees during the restructuring processes. The unions' supportive role was brought into notable focus during discussions with employees as to what a process might look like were the unions *not involved*. These counterfactual discussions with employees proved illuminating to the overall analysis, as although unions were perhaps expected to have closer relationships with the workforce, contemplating their absence illuminated the importance of their contribution to the restructuring process. Andrea was affected by the finance department restructure, and her view was indicative of the value employees placed on the unions' support throughout the restructuring:

*I got a lot of help and support to be honest, a couple of times I'd go into the union office and I was bawling my eyes out you know so...I think it's worth them being involved in that way because I also found them quite supportive on a personal and professional level. We'd be out on our ear without them.* (Andrea, finance department, March 2015)

Although the unions played a supportive role to employees, they also supported the HR team in the overall delivery of the restructuring. The social network that unions had with employees was reported to bring a more 'human' dimension to the process as they understood employees' personal circumstances more intimately.

In addition, HR relied on the unions to mediate communication with employees, particularly in explaining to the workforce the strategic necessity of the restructuring. Employees were viewed as understanding and trusting messages regarding the restructuring more were it to come from a familiar face in the union, as opposed to senior management or HR with which they had little to no personal relationship. In particular, though, the unions helped the HR team conduct the cross-match (redeployment) process. Due to unions knowing the personal circumstances of employees more intimately than HR, they would inform HR as to what roles would be most suited to each employee during redeployment meetings. For instance, the unions had a better understanding of issues such as whether an employee could work in certain parts of the steelworks because of a medical condition, or if family commitments meant they could not do shift work. Particularly when the cross-match was reaching completion and there were a handful of employees struggling to be redeployed – known as 'individual case management'



– the unions went and ‘put an arm around’ employees and empathised with their specific problems. Much of the content of the redeployment meetings between the HR team and the unions revolved around the personal circumstances of specific employees, illustrating the contribution the unions made in attempting to cross match employees into roles suitable to the personal circumstances of affected employees. One HR advisor responsible for the finance restructure described how the unions’ close, personal relationships made the delivery of the restructuring run smoother:

*We’ve got some of the guys who are out on the shop floor who would never dare ask a manager a question because of whatever reason, they might feel stupid, not understand it or trust us, but they would quite comfortably ask their trade union representative. So actually the union guy knows more about them and give them a view in a way that the guys can understand a lot more effectively. (Catherine, HR advisor, February 2015)*

Whilst it might be expected that unions support employees and represent their interests when conducting the process, as with the cross-matching, during the restructuring, the unions’ role remained largely unrecognised in the aftermath of the process. Discussions with all participants during the research clearly demonstrated the important contribution made by the unions, yet it was the HR team that won a CEO award for their efforts in delivering the restructuring. Of course, receiving recognition over contributing to job losses was not necessarily a main priority for the unions. That said, it becomes problematic for the unions as despite contributing to the subsequent description of responsibility, in *practice* the responsible restructuring process was owned by SteelCo and the HR team in official company policy documentation and used as a way to celebrate its procedural responsibility (Bruggeman, 2008). Therefore, SteelCo were able to adopt the tagline of SRR based on the contribution the unions made to the process, without officially recognising their role in the same way. Put simply, the unions made the process *more* socially responsible because of the support they offered to both employees and the HR team during the implementation of the restructuring process. These findings suggest a concern as to the extent to which responsible restructuring may be viewed as a purely management-driven process. In reality, however, SteelCo marginalised the role of other actors, such as the unions, within the process to its own advantage; such an advantage at SteelCo related to using the ‘socially responsible’ description to improve its reputation amongst the workforce and its stakeholders during a difficult period of restructuring. Instead, unions might take ownership of

responsible restructuring processes, explicitly emphasising the important supportive role they offer employees subject to restructuring and job loss.

## **Concluding remarks**

This chapter has considered the union role in the design and delivery of SteelCo's SRR process, analysing the extent to which negotiations between SteelCo management and the HR team and the unions contributed towards a responsible restructuring process. The early negotiations between SteelCo and the unions demonstrated the 'integrative potential' of enacting responsibility during restructuring (Garaudel et al., 2008, Roche et al., 2015). That is, the findings from the SteelCo research suggest there is an opportunity to reach an outcome that is less an outcome of distributive bargaining – a conflictual, zero game – and a more integrative process – finding complementary and common interests – between employers and unions during restructuring. Such examples of this at SteelCo included the agreement over the broader commercial plan and the commitment to ensuring no compulsory redundancies, along with union involvement in the provision of support to affected employees. An argument advanced in this thesis, though, is that this integrative potential may compel employers to engage with unions to achieve more responsible outcomes when conducting restructuring and redundancy processes. Put simply, unions could use the notion of responsibility to bring employers 'to the table' and early, to shape the process and outcome in a manner more amenable to the unions' interests.

That said, and in reflecting on the conceptual framework in Chapter 3, the role of unions aided SteelCo in achieving its *procedural* responsibilities during restructuring. Of course, engagement between management and unions is a key aspect of restructuring process, in firms where unions are present, as it is not only a legal requirement (in the UK) but also formed part of the '1992 agreement' between SteelCo and the unions as discussed in Chapter 5. The findings illustrate how SteelCo sought to actively promote the involvement of the unions in the restructuring process, claiming that working jointly with the unions was important in demonstrating to the workforce the unity between management and unions in implementing the restructuring process. In this sense, SteelCo believed that presenting this unified front of itself and the unions would enhance the workforce's perceptions of fairness and responsibility, and procedural justice, and thus lessen any potential backlash from affected employees (Forde et al, 2009, Hopkins and Hopkins, 1999, Kim, 2009). Building on work by Forde et al (2009),

then, this suggests that although dialogue with stakeholders may be a key tenet of responsible approaches to restructuring, the SteelCo research points to the way in which management may take advantage of the role of certain stakeholders, in this case unions, in implementing restructuring in order to minimise negative perceptions of the process amongst affected employees.

Discussion around the unions' role in the procedural aspects of the restructuring process, or the unions' complicity as described earlier in the chapter, illustrated tensions amongst the union participants about their role in such a process. The essence of this tension related to the notion that the union was contributing to the removal of jobs, which was considered by union participants, arguably, as being antithetical to the more traditional union ideology and practice of preserving jobs. Indeed, the above interpretation of the union role is prevented with caution as the unions had little choice but to accept the decision to restructure, given the parlous economic climate and the 'survival rhetoric' espoused by SteelCo, as discussed in Chapter 5. However, the above analyses also highlighted the positive role that unions played in supporting affected employees throughout the process, suggesting the unions' role was more than simply being paraded by SteelCo as a way to promote its own responsible approach to restructuring. Again, reflecting on the conceptual framework in Chapter 3, the unions' role was also evident in the way SteelCo – particularly the HR team – relied upon the unions to communicate, and mediate, messages regarding updates on the progress of the restructuring to affected employees. The unions worked closely with the HR team in managing the cross-match process, whereby the unions' closer personal and social ties with the workforce meant they were better placed to identify more suitable redeployment opportunities for affected employees. Furthermore, these closer personal and social ties between the unions and the wider SteelCo workforce also meant that when it came to seeking advice affected employees felt more comfortable communicating with the unions as opposed to the HR team or senior management, an issue which is explored in greater depth in the next chapter.

The findings in this chapter thus point to a crucial interplay between how SteelCo sought to address its procedural and communication responsibilities during restructuring, demonstrating the way in which certain approaches to restructuring – such as working jointly with trade unions in implementing restructuring processes – may ostensibly contribute to more than one category of responsibility. That is, the unions' role in the procedural aspects of SteelCo's SRR process

supplemented SteelCo's capacity to communicate with the workforce over the restructuring, given the unions were generally perceived by participants as being more suited to do so. In addition, this chapter also explored the unions' response to a specifically SRR process. As noted above, the findings in this chapter corroborated emerging consistencies in the literature between responsible restructuring and integrative bargaining. Thus, this chapter has illustrated the way in which the unions' response was less about preventing job loss, but was more focused on contributing to the overall management of change process (Pulignano and Stewart, 2013, Frost, 2000, Frost, 2001). Unions may seek to ensure that their role is formally recognised during times of restructuring – as was lacking in the CEO award for the HR team at SteelCo – and emphasise the support they offer companies, and affected employees, in achieving a responsible process. This is important, as without greater recognition the implementation of responsible restructuring may become owned by management, marginalising the influence that unions, and other stakeholders, have on such processes (Bruggeman, 2008). The next chapter looks closer at the specific restructuring practices that sought to ameliorate the effects of restructuring for employees, analysing the way such practices aimed to address each of the categories of responsibilities established in the conceptual framework in Chapter 3.

## Chapter 8: Responsible restructuring in practice

Understanding the types of practices that constitute a responsible restructuring process is one of the research questions explored in this thesis. This chapter therefore builds on the previous empirical chapters and addresses the specific types of practices implemented at SteelCo that sought to ameliorate the effects of restructuring on affected employees. To reiterate, this chapter thus addresses the final research question of this thesis: *did the implementation of a best practice approach to responsible restructuring contribute to SteelCo's addressing its responsibilities during its SRR process?* In this sense, this chapter reflects on the critique presented in Chapter 1, that there is an overemphasis in the literature on the implementation of prescriptive, 'checklist' type, best practice approaches in achieving managerial goals of restructuring, such as improved firm performance and profitability, at the expense of a greater focus on how such practices ameliorate the effects of restructuring and redundancy on employees.

The analytical focus in this chapter is on restructuring practices that were most prominent throughout the research. The analysis is organised using the conceptual framework presented in Chapter 3. The categories of responsibility discussed in Chapter 3 are used as exploratory themes to explore the restructuring processes at SteelCo. The framework, then, was not employed deductively, but used to guide the analysis and findings, and iterate the findings from SteelCo back to prevailing understanding of responsible approaches to restructuring. The analysis focuses on, and expands upon, practices that were central to discussions with participants as opposed to descriptively recording all the restructuring practices implemented. Practices considered 'responsible' have been outlined in ILO and EC documentation, offering guidance on how employers might conduct a responsible restructuring process (Rogovsky et al., 2005, Papadakis, 2010, EC, 2011, Auer, 2001). This chapter adds further empirical clarity to the topic of responsible restructuring and the practices considered to be involved in such processes.

This chapter explicitly adopts the framework conceptualised in Chapter 3 to explore the restructuring practices observed at SteelCo, organising the findings through the four categories of responsibility; *regulatory*, *procedural*, *communication* and *employment* responsibilities. Each is taken turn and analysed with reference to the prevailing literature. Across these categories of responsibility four main themes that emerged through the research are explored.

Firstly, a key thread through this chapter highlights how SteelCo essentially repackaged previously existing restructuring practices as part of its ‘new’ SRR process. That is, *de facto* and essentially historical, implicit restructuring practices were made explicit in the immediate SRR process. This is referred to as the *explicitisation* of previously implicit restructuring practices, highlighting the way SteelCo elevated practices associated with its regulatory and procedural responsibilities in a way to celebrate its responsible approach to restructuring. Secondly, another prominent theme that follows this explicitisation, was the retrospective description of the restructuring procedure as ‘socially responsible’. There was a *post hoc* rationalisation of the restructuring practices and processes as responsible, suggesting that conducting a responsible process was not the initial rationale behind SteelCo’s restructuring process. Thirdly, the framework builds on the role the unions played in responsible restructuring processes discussed in the previous chapter by highlighting their contribution to SteelCo’s communication responsibilities during the restructuring. A distinction is made between the formal and informal role of the unions, and how the broader notion of informality at the workplace helped relax the implementation of SteelCo’s more formal SRR process. Lastly, the analysis indicates the contextual nature of responsible restructuring, in that what is responsible in one organisation may not necessarily be so in another. This was illustrated, for instance, in SteelCo’s attempts to address its employment responsibilities, and the varying perceptions of efficacy of the cross-match process and employability services amongst affected employees, thus building on the analysis in Chapter 6. Taken together, the findings in this chapter point to the notion that the specific organisational context shapes the way restructuring practices are implemented, responsible or not, and hence must be accounted for when seeking to understand whether a process can be described as responsible. The key contextual factors identified in this chapter, and the previous empirical chapters, refer to the relevance of the contingencies of local organisational and institutional factors, the particularities of steel industry industrial relations and the occupational identity of steel workers themselves.

The focus of this chapter are the actions taken by management, the HR team and the unions in delivering the restructuring process. Although detailed earlier in the thesis, it is important to briefly clarify who is being written about when reference to SteelCo is made. SteelCo refers to the management and HR teams that were responsible for the initial decision to restructure the organisation. As shown in the previous chapter, though, SteelCo worked closely with the on-site trade unions to design and deliver the restructuring process. The unions were also involved in the practices and processes of the restructuring, and were included as part of the cross-match

committee and governance meetings that delivered and oversaw the progress of the restructuring process. Of course, the unions were a distinct actor from SteelCo, and the distinction between their formal and informal role is further highlighted in the following discussion. Whilst the unions were part of the team delivering the restructuring, they also acted as a separate stakeholder with their own views and concerns about the responsible nature of the process. We now turn to each of the categories of SteelCo's SRR process.

### **Regulatory responsibility**

SteelCo, like all organisations, had a responsibility to ensure compliance with the *regulatory* requirements of implementing a restructuring process. In terms of specific legislation, these requirements are outlined in the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A) – and its subsequent Amendment Order in 2013 – and a more specific, but not legally binding, Advisory Conciliation and Arbitration Service (ACAS) code of conduct regarding handling large scale redundancy programmes. The details of these requirements are mentioned in Chapter 3. Nonetheless, these requirements shaped the specific organisational level practices at SteelCo, such as the consultation process (discussed below), the timeframe of the restructuring and the severance packages on offer. The following discussion focuses on how SteelCo used their compliance with legal requirements to demonstrate its SRR process.

Complying with legal requirements sought to avoid any infringements that may have arisen from non-compliance. At SteelCo, the key ramifications of non-compliance, and thus a reason to emphasise a responsible process, involved avoiding legal challenges through employment tribunals related to, for instance, unfair dismissal, and avoiding any industrial relations disputes from the workforce and unions. The HR and management rhetoric at SteelCo emphasised that the honouring of legal obligations indicated to affected employees that they were managing the restructuring process in a responsible way. Of course, complying with legal requirements during restructuring is *the least* affected employees should expect, especially those laid out in TULR(C)A 1992. Bob, a HR manager involved in the delivery of the restructuring, explained this link between legal compliance and responsibility to affected employees:

*I would say that I would be totally satisfied that we're responsible because we have honoured our legal obligations there, and by doing so also honoured our commitment to*

*employees as well, to treat them with respect, dignity, things like that.* (Bob, HR manager, July 2014)

Another way in which SteelCo sought to demonstrate the link between legal compliance and social responsibility was through comparing its process with how other companies conducted restructuring. All participants referred to experiences they had encountered – whether personally, vicariously through friends and family or accounts observed in the news and media – of how other companies handled its restructuring processes in irresponsible ways. The HR team, unions, and affected employees alike, claimed that despite any perceived shortcomings in SteelCo’s restructuring processes, it was still better, or more responsible, than how other companies implemented it. One of the key measurements that SteelCo used to describe its restructuring as responsible was the absence of any industrial relations disputes or employment tribunal claims. SteelCo’s emphasis on legal compliance suggests the promotion of a minimum behavioural standard when conducting responsible restructuring (Campbell, 2007). That is, for a restructuring process to be responsible, the minimum an organisation must do is comply with the law. SteelCo’s justification for doing so, however, was to set them apart in the eyes of affected employees from other companies who do not carry out this minimum standard of legal compliance, thus enhancing the status of SteelCo’s restructuring process as responsible. This point was illustrated by Paul, the HR director overseeing the restructuring process:

*And have we had any problems from it? One way of measuring it is, how many tribunals or appeals have we had, right? None. Not one... And albeit it’s quite a negative factor to look at, but I tell you something, some companies they don’t give a crap about things like that.* (Mike, HR Director, July 2014)

In comparing its restructuring processes to other companies, the case of SteelCo highlights a *relativist* dimension to responsible restructuring. What is responsible restructuring at one organisation may not necessarily be the case at another. What underlines this relativist dimension, however, is the obligation to comply with the legal requirements of restructuring. By SteelCo promoting its responsibility in legal terms it sought to distinguish its process as responsible from other companies that act irresponsibly, and perhaps do not abide by the law, during restructuring. Such irresponsibility results, per SteelCo’s rhetoric, in other companies experiencing employment tribunal claims and industrial relations disputes due to poor



restructuring practices. In this sense, SteelCo’s legal responsibility was understood in relative terms, and constructed through a comparison with examples of poor restructuring practice by other external companies (Bergstrom and Diedrich, 2011).

There were two practical implementations in which SteelCo hoped to go beyond their minimum legal obligations. These were through enhanced severance packages and an extended timeframe in which the restructuring was conducted. Firstly, SteelCo offered affected employees severance packages that were substantially higher than the statutory basic minimum<sup>6</sup> and were, unlike the statutory rates, dependant on tenure, not age, and were uncapped. This meant that in some instances where an affected employee who took voluntary redundancy or early retirement – therefore also having access to their pension funds and lump sum pay outs – could leave SteelCo with a six-figure severance package. The exact details of how much affected employees received was understandably confidential, but severance packages of this size were alluded to by members of the HR team who were tasked with calculating how much employees might receive. Given that most of those leaving SteelCo were taking voluntary redundancy or early retirement, SteelCo paid out substantial amounts of severance pay to affected employees. This practice of paying enhanced severance packages was not a ‘new’ responsible practice, but rather was an historical feature of restructuring at SteelCo. That is, employees affected by restructuring at SteelCo had always received severance packages above the statutory minimum. In the PA and P2P processes, however, this *de facto* benefit was repackaged as part of SteelCo’s broader SRR process.

The second restructuring practice implemented by SteelCo was the extended timeframe within which the restructuring was to be conducted. The legally required consultation period of 45 days for 100 redundancies or more – as outlined in the TULR(C)A (Amendment) Order 2013 – was extended by SteelCo, with both the PA and P2P processes being implemented over 12 and 18 months, respectively. The point at which the restructuring processes ‘ended’ was difficult to determine, however, as although SteelCo was operating under its new organisational

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<sup>6</sup> As of April 2015 statutory redundancy entitlements in the UK apply to employees who have been working for their current employer for at least two years. Entitlements are also dependant on age. For those under 22, employees receive half a week’s pay for each full year under the age of 22. For those aged 22 – 41, employees receive one week’s pay for each full year they were 22 or older but under 41. For those 41 and older, employees receive one and half week’s pay for each full year they were 41 and older. Length of service is capped at 20 years and weekly pay is capped at £475. The maximum amount of statutory redundancy pay is capped at £14,250.

structure at the beginning of the respective financial years, a small number of employees were still yet to be redeployed. As discussed in the previous chapter, the timeframes were decided in the initial negotiations around the process between SteelCo and unions. In principle both SteelCo and the unions agreed that an extended timeframe beyond the minimum period would give them longer to engage in meaningful consultation with one another, whilst also providing affected employees time to adjust to the restructuring and plan their future accordingly.

There was an understanding at SteelCo that, essentially, the restructuring would take as long as it needed to take, so long as the consultations and negotiations were constructive and meaningful to the overall outcome. Indicative of this was the way the unions worked closely with SteelCo in the initial negotiations (as outlined in Chapter 6) and the delivery of the cross-match process (discussed below). There was no consensus, though, among all participants, particularly affected employees, about the usefulness of these longer timeframes. For some affected employees, the longer timeframe gave them time to consider what type of job to seek through redeployment, or whether leaving voluntary redundancy would be an option for them. For others, the process dragged and elongated the sense of insecurity employees experienced throughout the process, inhibiting their ability to move on and put the restructuring behind them. The assumption made by SteelCo and the unions that implementing longer timeframes would be beneficial to affected employees was not necessarily viewed in this way by the workforce. That is, the longer timeframes prolonged, in some cases, negative feelings of insecurity and uncertainty amongst the workforce. Consider this quote from Mark, who was affected by the finance department restructure:

*Certain elements of it were too long and dragged out. It should've been decisions made, short, sharp and sweet within 2 months or so, telling us what was going to happen quickly and not a long drawn out process. If you're going to do it get on with it, not in this arse about face way, it's no good drawing out it because everyone gets even more disgruntled then. Maybe there's some benefits to that but really you just want an answer, you want it as quick as you can, you don't want it months down the line. (Mark, finance department, February 2015)*

Following this, HR and union participants reported that for a restructuring process to be responsible, a longer timeframe is, essentially, inescapable. This is not because a longer

timeframe was better for the affected employees as such, but rather the process and implementation of ‘responsible’ practices simply takes longer than the statutory minimum. Union participants bemoaned the pressure, from both senior management and the scale of the numbers of employees involved, placed on members of the HR team to manage the restructuring in the longer timeframe, yet alone the 45 day minimum. Whilst research on responsible restructuring has argued that longer timeframes are favourable for affected employees (Rydell and Wigbald, 2011, Rydell and Wigbald, 2012, Ahlstrand, 2010), the case of SteelCo illustrates that a longer timeframe is simply a by-product of conducting a responsible process; it just takes longer for organisations to act responsibly during restructuring. Since SteelCo also recognised its responsibility to affected employees in other domains – such as procedural, employment and communication that are discussed below – the process necessarily extended beyond the legal minimum of 45 days.

Taken together, the implementation of an enhanced severance package and a longer timeframe represented SteelCo’s efforts to exhibit responsibility to affected employees on the grounds of going beyond their legal requirements. That said, both practices are rooted in a certain institutional context at SteelCo that has long existed. It is a long-standing tradition in the industry – and other ex-public sector, unionised workplaces – that redundant steelworkers received enhanced severance packages, and restructuring processes have typically lasted longer than the statutory minimum. These types of practices were considered custom at SteelCo and the incidence of these practices, then, do not represent anything new. Rather, what *is* new is the repackaging of these practices under the banner of ‘social responsibility’ and the fact that the company viewed this repackaging as necessary. Given that it was not until after the restructuring process that SteelCo described its process as socially responsible, there was a *post hoc* rationalisation of the process as SRR. Additionally, SteelCo realised that in comparison with other companies that do not conduct their processes in the way that it does, its process could be, comparatively speaking, perceived as *more* responsible.

In essence, SteelCo promoted previously implicit, *de facto* restructuring practices, such as enhanced severance packages and longer timeframes, in order to *explicitly* describe its process as SRR (Matten and Moon, 2008). As mentioned above, SteelCo believed this was necessary to avoid any potential legal challenges from the unions and employees resulting from the implementation of the restructuring process. Furthermore, as analysed in Chapter 6, making the ‘responsible’ aspect of the process more explicit also sought to prospectively demonstrate

to employees SteelCo's fair, just and ethical approach, with the intention of maintaining commitment, loyalty and positive work-related attitudes amongst the post-restructuring workforce. The next section follows this discussion by considering the ways in which SteelCo demonstrated their procedural responsibility.

### **Procedural responsibility**

The responsible restructuring process at SteelCo involved formal procedures that gave structure to the overall restructuring process. This section explores how these formal procedures contributed towards SteelCo's SRR process, highlighting the importance of *procedural responsibility* during such processes. HR and management participants believed that the processes implemented during the restructuring represented an augmentation on the minimum legal and procedural aspects of restructuring, with a focus on making the consultation period more responsible. The purpose of the individual consultation process was to inform employees that they were affected by restructuring, and to consult with them and a chosen representative – a legal requirement referring to either a trade union representative or work colleague – over their options to either appeal the decision, take voluntary redundancy or enter the cross-match process. The first part of the process involved the HR team and management from relevant departments selecting employees for redundancy based on a set of assessment criteria related to their job performance; this was also known as being 'deselected'. The criteria assessed performance related indicators such as employees' ability with regards to team working, communication and skill levels, and was completed on a standardised matrix form by the HR team and senior managers of the department being restructured. These resulted in an overall 'score' for each employee, and those with the lowest score were selected for redundancy. This deselection process was discrete from the actual consultation process. That said, SteelCo considered the selection process as part of the broader consultation period. Due to confidentiality, the flowchart guiding SteelCo's restructuring process is not presented.

The number of employees selected for redundancy depended on the extent to which the respective departments were being restructured. For instance, despite the finance department restructure being centralised to Wales, several jobs remained to provide localised financial knowledge at the SteelCo plant in the new restructured organisation, meaning those employees with the highest scores were offered those jobs. Likewise, with the engineering department, several jobs remained to perform the emergency maintenance work that was the focus of

SteelCo's commercial strategy for that department in the new restructured organisation. Once employees were (de)selected for redundancy they continued through the rest of the consultation process where they discussed their aspirations and were given the opportunity to appeal before being officially placed 'at risk' of redundancy. SteelCo viewed the aspirations and appeals process as an extra stage that was inserted into the consultation process that went beyond the basic, legal minimum with the intention to make the restructuring more responsible. This extra stage, the aspirations and appeals process, came after the selection process and before the official notice of redundancy to affected employees. Bob, a HR manager involved in the design of the consultation process and delivery of the restructuring, explained this:

*So if you dig out your employment law book and ask, what do I need to do? It's only a few steps there, and if we just did that then I'd think we'd have more problems. That there just gives you the absolute bare minimum. We've got the flow chart and we added a little bit on...so in employment law it talks about a stage one meeting and a stage two meeting. Stage one at risk of redundancy, stage two sorry but you're on notice. Because we couldn't think of anything else we've got phase one, phase two, phase three, so we've actually added another bit to it which is all part of the selection and aspirations bit, and things like that engage people more. We didn't have to! But we did, because we wanted to make sure that we treat properly in the process and I think that's what it's all the social bit is about. (Bob, HR manager, July 2014)*

Put simply, SteelCo sought to establish formal procedural guidelines for its restructuring processes that legitimised its commitment to responsible restructuring in official company documentation. By having it written down in this official company documentation, the SRR process would, per SteelCo, be accepted amongst the workforce and SteelCo could point to this formal procedure were its commitment to affected employees during restructuring challenged. By being able to clearly show how they had augmented the basic, minimum requirements, there was a further explicitisation of SteelCo's SRR process presented to affected employees (Matten and Moon, 2008, Forde et al., 2009).

The aspiration process within this extra stage is worth discussing, as it was lauded by the HR team and unions as key to a responsible process. The aspiration process allowed employees to discuss with HR and unions what their options were if they were chosen for redundancy and,

for the most part, recorded whether employees wished to take voluntary redundancy or early retirement, or whether they wished to be redeployed at SteelCo at their current site or another site if possible. The HR, management and union participants emphasised the importance of the aspiration process, as it allowed them to engage with the workforce about their futures post-restructuring. Understanding and engaging with employees' personal circumstances was considered key to SteelCo's SRR process, providing employees with a platform to openly discuss their thoughts and feelings about the prospect of redundancy. Sammy, a manager involved in the selection of employees for redundancy in his department, highlighted how the aspiration process was about understanding the employees' position:

*It's bringing that information to the table of people who are at risk and what those opportunities may be for those people, and it's the responsibility of SteelCo to try and ensure that those people are communicated to clearly what the opportunities are in line with their aspirations, and to try keep their employment, if that's what they want. So you're actually talking to the individuals, what their aspirations and thoughts are, what their skillset is, what suits them, what jobs they want to do, so you do get down to very, very fine detail. And the thing is when you are talking about individuals the conversation is between you both, so it's completely honest. (Sammy, engineering department line manager, August 2014)*

Despite being used to engage with employees on a personal level during the restructuring, the aspiration process also played a necessary operational function. SteelCo used it as a data collection method to obtain information on the wishes of the workforce. Information gained from the aspiration interviews was recorded electronically on a database that was used throughout the restructuring process as a snapshot of how many employees wanted to stay and leave. This then indicated to SteelCo how many employees would need to be redeployed through the cross-match process, given the vacancies made by those opting for voluntary redundancy or early retirement. SteelCo used what they promoted as a responsible aspect of their consultation process to help them manage the number of employees through the rest of the restructuring process. Therefore, although SteelCo celebrated the aspiration process as part of its SRR process, it also helped serve the operational need of reducing headcount. For example, during the P2P process the headline announcement of 500 job losses was reduced to approximately 130 employees needing to be redeployed, as SteelCo exhausted the rest through

voluntary redundancy or early retirement during the aspiration stage. By initiating the notion of ‘aspiration’ employees were encouraged to consider whether they wanted to take voluntary redundancy or be redeployed, which ultimately reduced the number of employees SteelCo had to manage through the restructuring process.

Another idea that emerged during the research was the notion of SteelCo’s restructuring process as being ‘excellent’. The HR team were awarded an internal CEO award as recognition for their efforts in delivering the overall restructuring process. The CEO award document is presented in Appendix 1. In this document, there is direct reference to the restructuring process as being socially responsible. The way in which this was framed, or assessed, was against the SteelCo company values of understanding, unity, excellence, responsibility and integrity. The value of ‘excellence’, notably, was equated with the implementation of the formal consultation procedure described in this section, and was a common theme discussed amongst HR participants. There was recognition, however, that referring to a restructuring process as excellent may, at face value, appear an inappropriate way to describe a process that ultimately leads to job losses that have profound negative effects on affected employees.

Upon reflection though, discussions about the appropriateness of the term ‘excellent’ shifted into an understanding that equated the formal process – i.e. the extended individual consultation and the aspiration and appeals process within it – with the idea of ‘best practice’ restructuring (Cameron, 1994, Cascio and Wynn, 2004). If SteelCo had to restructure, then the process by which they dealt with affected employees was excellent; even if the actual outcomes of restructuring were not excellent for those employees. There was a distinction made between the process and outcomes of restructuring, whereby responsible restructuring emphasises perfecting the technical implementation of the process that managed employees from the deselection phase to either redundancy or redeployment. The focus for SteelCo in terms of responsible restructuring was demonstrating that the specific procedures themselves were fair and presented an image of responsibility to the workforce. As Francis, a senior union official involved in the delivery of the restructuring, explained:

*We've always tended to deal with job losses quite well, whether that's a good thing or a bad thing...that we're well seasoned in dealing with job losses is not necessarily a good thing, because that implies we're doing it regularly which we have been doing over the*

*last 5-6 years. But it is good that when that [restructuring] happens that we do know how to deal with it, we have got a formal process that we can rely on and on the whole we know it works. So, I think yeah that's pretty good.* (Francis, senior union official, July 2014)

The framing of the restructuring through the company values was, however, used *after* the restructuring when the HR team was awarded the internal CEO award, corroborating the earlier discussion around a *post hoc* rationalisation of SRR. The company values were not the guiding principles behind SteelCo's SRR process, but applied retrospectively to further legitimise the responsible nature of its process; in this instance to substantiate the nomination for an internal CEO award. That said, the use of company values when conducting responsible restructuring may act as a useful heuristic device. Company values typically reflect, or influence, a company's (responsible) behaviour, albeit not always explicitly articulated as 'responsibility' (Forde et al., 2009). The case of SteelCo suggests that company values may aid in the design and implementation of responsible restructuring processes, acting as a framework that encourages and guides responsible behaviour.

So as regards to *procedural responsibility*, the findings demonstrate an equation by SteelCo between conducting an excellent process with acting responsibility, suggesting that celebrating the technical nature of good restructuring practices and processes was important to SteelCo's description of SRR. Furthermore, as there was an emphasis on linking the restructuring process with company values *post hoc*, the process was not formally guided by them from the outset. This section has explored SteelCo's responsibility in terms of the formal procedures that helped guide and coordinate the selection and consultation aspect of the restructuring process. The next section turns to how SteelCo sought to implement its responsibilities associated with communicating and informing the workforce around the progress of the restructuring process.

### **Communication responsibility**

The importance of SteelCo maintaining communication with the workforce during the restructuring proved central in discussions with participants. SteelCo sought to create open channels of communication to ensure affected employees, and the workforce more generally, were kept informed and had opportunities to engage with SteelCo over their concerns. The formal channels of communication took many forms, such as the initiation of monthly team



briefs, joint e-mail bulletins from management and unions and updates in the onsite newspaper, along with oral presentations by HR at the initial point of announcement. SteelCo's intention was to provide affected employees updates on the progress of the restructuring, query selection decisions, vent their grievances and to offer general support throughout the restructuring. The role of communication during restructuring practices has become an increasingly important issue when considering responsible forms of restructuring, as discussed in Chapter 3 (Papadakis, 2010, Hopkins and Hopkins, 1999, Stengård et al., 2015, Forde et al., 2009, EC, 2011). That is, effective communication with affected employees has been considered an important way for organisations to demonstrate fair and humane restructuring processes.

The goal of these communications was for SteelCo to ensure the workforce understood that restructuring was necessary given the prevailing economic climate of low levels of demand for UK steel and lack of recovery in certain markets, such as steel plate, since the global financial crisis. That said, a common strategy amongst management during restructuring is often to deliberately present restructuring as inevitable by framing the need to restructure around such economic imperatives (Stroud and Fairbrother, 2012). The purpose of SteelCo framing and communicating the restructuring on this primarily economic basis sought to generate an acceptance for the need for restructuring amongst the workforce. Furthermore, SteelCo announced the restructuring alongside the unions to demonstrate the difficulties the company was facing in an open and transparent manner that would mean everyone was 'on the same page'. The specific machinations of how SteelCo utilised the credibility of the unions to achieve this acceptance of restructuring was discussed in Chapter 6.

The initial rhetoric from SteelCo promised it would be there to help as and when it was needed by affected employees, with the HR team being essentially 'on call' to support employees through e-mails, phone calls or face to face meetings. Although the joint management-union bulletin provided general information about the restructuring – such as notification of the cross-match process, financial status of the company, whether the new organisational structures were in place, types of support on offer – many employees remained uncertain about what the restructuring process meant for them personally. There was recognition amongst HR, unions and affected employees that although there were formal channels in place, these were too generalised and proved insufficient in addressing the personal concerns of affected employees. This point about the importance, yet inadequacy, of communication was recognised by Fiona, a HR manager overseeing the engineering department restructure:

*For me it's all about the communication, because I think there's so many people involved who are unsure about different things. Whether it be a manager about what they need to do, or employees unsure about what's happening with their redundancy request or their pensions figures or whatever. I think if we had better communications all of these kind of questions and issues that arise we would we would be able to help. (Fiona, HR manager, August 2014)*

An emerging theme from the research was the distinction between the formal and informal aspects within SteelCo's SRR process, which was brought into focus during discussions around the employees' perceived breakdown in the formal channels of communication. Of course, the unions were part of the formal team, alongside HR and senior management, that delivered the restructuring, and the notion of the complicity of unions in the restructuring was discussed in the previous chapter. The unions' part in the formal process was evidenced through their role on the cross-match committee that was responsible for redeployment of affected employees and their representation at the higher-level governance meetings. Regarding communication, unions were part of the formal announcement of the restructuring and were also involved in the distribution of the joint management-union bulletins mentioned previously. That said, the unions also contributed to the informal dimension of the restructuring. Affected employees reported they often sought advice and guidance from the unions outside the formal channels of communication initiated by the HR team as they deemed these formal channels to be inadequate in addressing their more personal concerns. Employees sought the support from unions as they were closer to them in terms of their social networks, and trusted the unions to address their concerns in a more personal and direct way (Bryson et al., 2013, MacKenzie et al., 2006, Cullinane and Dundon, 2011, Blyton et al., 2001, Stroud and Fairbrother, 2012). There was a perceived lack of *interpersonal communication* within the formal channels of communication that led to affected employees seeking advice and guidance from the unions on an informal basis.

Of course, informality has long been a feature of employment relations (Rainbird and Stuart, 2011, Terry, 1977, MacKenzie and Martinez Lucio, 2005). What is significant here, though, is the way in which it was these informal networks essentially lubricated the formal procedures that were in place at SteelCo during its SRR process. There were many instances of employees

meeting senior union officials outside of the formal channels to gain more personalised information; at union events, in hallways and even at the pub after work. Put simply, the union adopted both a formal and informal role in SteelCo's responsible restructuring process (MacKenzie and Martinez Lucio, 2005). Formally, they were part of the delivery of the restructuring alongside the HR and management teams. Informally, they provided an outlet for affected employees' dissatisfaction with the formal channels of communication initiated by the HR and management teams. Consider the following quotes from Georgina and Andrea, both affected by the finance department restructure, that highlight both the inadequacy of the formal channels of communication and the importance of the unions' role in resolving the perceived inadequacies:

*She [HR rep] did come a few times when we was having our communications briefings but she'd be at the back out the way and not doing anything. And it was only when you look around and everyone's going, who's that blonde bitch at the back if I'm being honest! Who's she, what's she doing here, that type of thing. Yeah, and if you ever tried to contact her, it was never, she weren't there at that point, you'd have to email her and chase her, you was always chasing if you wanted information. (Georgina, finance department, March 2015)*

*I'd probably say I actually went to the unions more than HR. I did get a bit more communication from the unions and whenever I had a question or a worry or a query, they'd be like, come and see me tomorrow or see me now, you know, I did get that from them more. But with HR it was a bit of a cat and mouse chase, it was a bit of a chase sometimes and when I went to them I felt like got more vague answers and then what I did with the union if I'm honest. (Andrea, finance department, March 2015)*

Affected employees, then, appeared dissatisfied with the formal channels of communication initiated by SteelCo, forming negative attitudes towards the HR team and SteelCo more generally; as Andrea's quote above illustrates. To simply say the existence of 'fair' or 'clear' communication is a prerequisite for a responsible process does not provide a nuanced enough understanding of how communication should be delivered during restructuring processes (Forde et al., 2009, Stengård et al., 2015). The case of SteelCo suggests that the nature of this 'fairness' during responsible restructuring must be understood; at SteelCo, the lack of

interpersonal communication in the formal channels was the source of employees' dissatisfaction, and thus led to a greater engagement with the informal networks offered by the unions.

Another instance of the role of informality in SteelCo's SRR process was in the form of rumours (Stroud and Fairbrother, 2012). Both HR and unions participants accepted that rumours about the restructuring arose because of either misrepresentation or misinterpretation of the information communicated to the workforce. One example from Gilly, affected by the reductions in the finance department, illustrated this. On the day of Gilly's interview, a rumour surfaced that the finance departments' relocation to Wales was being cancelled, and that affected employees were to get their original jobs back. The source of this rumour stemmed from a colleague seeing a senior finance manager, who was considered responsible for the finance relocation, name in the sign in book at the reception desk that morning. The rumour was that this senior finance manager had come from SteelCo HQ in London to discuss the reversal of the finance relocation<sup>7</sup>. Consequently, this led employees within the finance department to believe they would move back into their previous jobs, and that they did not have to worry about what job they were redeployed into during the cross-match. This meant that there was a disengagement from certain affected employees with the overall restructuring process.

Gilly's account highlights how employees essentially created their own understanding of the progress of the restructuring through these more informal channels when they perceived the formal channels to be inadequate in their substance. These informal communication channels amongst the workforce were viewed as detrimental to the progress of restructuring by HR and union participants, as they influenced the workforce's perceptions of how the restructuring was managed by SteelCo and made it difficult for them to communicate a consistent message about the progress of the restructuring. HR and the unions accepted, though, that avoiding rumours amongst the workforce was impossible during a restructuring process. Indeed, the unions understood the prevalence of these informal channels and how they operated as they were implicated through them, as discussed previously. Fred, a senior union official involved in the

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<sup>7</sup> Since the research some aspects of the finance operation at SteelCo had indeed been reversed and moved away from Wales, with certain employees getting their original job back. At the time of data collection, though, this had not been confirmed.

delivery of the restructuring, described some of the issues related to managing rumours during the restructuring:

*You've to be careful in the original passing out of information... I know the rumours go on, that's the only mill that's not gonna close on this site, the rumour mill. It's the same in any business it's, oh we've heard this is, I was talking to a mate in the pub last night and he's said such and such and that means were gonna go and everything like that you know. And then two and two make five, you know. I know the company like to feel as though it's been responsible and things like that and, trying to tell people things, but if you aint got nowt to tell them don't tell them, because it just compounds the situation.*  
(Fred, senior union official, August 2014)

The role of informality, then, played a central role during SteelCo's SRR process, in a both negative and positive way. The case of SteelCo suggests that despite formal procedures such as the initiation of channels of communication by HR – and, for instance, the consultation process described in the previous section – it was the informal practices surrounding the process that were reflected on most by participants during the research. In terms of the negative aspect of informality, SteelCo failed to control the 'rumour mill' and the subsequent misrepresentation and misinterpretation of information that led to the workforce arriving at their own conclusions about the progress of the restructuring. This highlights how clear, effective communication is key to responsible restructuring processes, so as to avoid affected employees disengaging from the process and perceiving the company negatively as a result (Stengård et al., 2015, Forde et al., 2009). Such negative perceptions are detrimental for the company, particularly when trying to present the company as responsible. In terms of the positive aspect of informality, that affected employees could go to the unions on an informal basis to fill gaps in the formal channels of communication was ultimately useful for SteelCo. This meant that the extent of dissatisfaction of affected employees with the formal process was mitigated. What is damaging for the unions about this was the way in which the HR team were subsequently awarded an internal CEO award, as discussed previously, for their efforts in managing the restructuring and therefore taking ownership of the overall formal process (Bruggeman, 2008). Indeed, the HR team lauded the fact that the SRR process was to be benchmarked across all SteelCo's UK sites as a best practice, company standard. Although the unions played a key role, both formally and informally, in contributing to the responsible nature

of the process, this was not officially recognised. The case of SteelCo suggests that unions may seek to take greater ownership of responsible restructuring processes, and emphasise the crucial role they play in offering advice and guidance to employees and supporting them through the restructuring process (Rainbird and Stuart, 2011, MacKenzie and Martinez Lucio, 2005, Bryson et al., 2013).

## **Employment responsibility**

There were also efforts made within SteelCo's SRR process to ensure that affected employees maintained employment post-restructuring. Before presenting the data from the research at SteelCo, it is necessary to reiterate, though discussed in Chapter 3, what is meant by *employment responsibility*. The two ways in which SteelCo sought to ensure affected employees maintained employment was through an *internal redeployment process* (cross-matching), and offering *basic employability services* for employees to improve their chances of securing employment either internally or externally. These two practices are distinct in that the former's goal, redeployment, is to ensure continued employment for affected employees at SteelCo, whilst the latter, employability services, offers forms of training and personal development that provide affected employees with the means to apply and secure a job externally (and in some instances, internally). Ensuring affected employees secure employment or supporting them in securing employment post-restructuring has been viewed as an important tenet of responsible restructuring (EC, 2011, EGF, 2013, Stuart et al., 2007, Auer, 2001, Rogovsky et al., 2005, Papadakis, 2010). The following section discusses these two aspects, redeployment and employability services, of SteelCo's employment responsibility and its implication for understanding responsible restructuring.

The internal redeployment process, cross-matching, was the primary practice implemented by SteelCo that sought to maintain employment for affected employees. An initial description of the cross-match process is required here. This process was managed by the cross-match committee, the HR team and senior union officials, whereby affected employees were placed either into roles made vacant by those taking voluntary redundancy or early retirement, or roles that were created as part of the new organisational structure. During the aspiration process employees consulted a list of cross-match 'opportunities', as termed by the cross-match committee, and rated the roles they hoped to be redeployed into in terms of personal preference (a 'top three'). The intention of the cross-match committee was to match employees with roles

most suited to their skillset and competencies, as opposed to simply placing them into any vacant role. Affected employees were still subject to an application process, such as submitting a CV or attending an interview, when being redeployed internally. Although SteelCo was committed to redeploying all those wishing to maintain employment internally, the quality of their application to the cross-match opportunities determined whether they were placed into their more preferred roles. Additionally, however, affected employees were permitted to apply to as many jobs as they wished; there were some instances of employees applying for up to 15 jobs internally. This meant that many employees ended up in roles that they were not directly trained for, and thus were reliant on SteelCo to provide adequate internal training and development programmes to assist workers in their new, redeployed roles.

This cross-matching process upheld an historical union tradition at SteelCo of ensuring that no employees were made 'hard' redundant (compulsory), which is discussed in detail in Chapter 5 (Beynon et al., 1991). Put simply, by exhausting all those wishing to take voluntary redundancy or early retirement the cross-match committee ensured that those wishing to maintain employment at SteelCo had a greater chance of internal redeployment and avoiding a hard redundancy, utilising the roles made vacant by those taking voluntary redundancy or early retirement. Whilst this process was, again, not a new practice at SteelCo, the HR and union participants lauded the emphasis on internal redeployment to avoid any hard redundancies as key to its SRR process. The assumption made during negotiations between SteelCo and the unions was that no compulsory redundancies was central to implementing a responsible process. Therefore, SteelCo made explicit the previously *de facto* restructuring practice of avoiding hard redundancies, to celebrate the responsible nature of process. That is, SteelCo and the unions not allowing any employee to leave the organisation unless they chose to do so voluntarily. The cross-match process was something that had, essentially, always happened at SteelCo, but was now being repackaged as part of its broader SRR process. Mike, the HR director overseeing the restructuring processes, explained the rationale driving the cross-match process:

*I still have people say they'd like to leave the business, and if you got somebody else who wants to stay, that's something we've always jointly [with trade unions] ran the cross-match process, that says, 'okay is there an individual suitable to come and replace someone here' ... The cross-match process was about trying to match people who wanted*

*to stay with people in departments who might have wished to go and we're happy to handle both, we have to make sure the person who indicated that they wanted to go is dealt with and gets all the information they need... and what other support can we give them in terms of outplacement, whether it be, do you want another job or do you just want to know some career advice in general. (Mike, HR Director, July 2014)*

As was discussed in the analysis in Chapter 6 of employees' experience of SteelCo's SRR process, the internal redeployment of employees led to, what has been termed in this thesis, an 'inbetweener' status for employees. That is, affected employees experienced consequences associated with being both victims and survivors of the restructuring process, thus falling between the interstices of these two categories (refs). Given that cross matching was central to SteelCo's description of its immediate process as socially responsible but also in historical rounds of restructuring, the experience of inbetweeners became an important theme to have emerged from the data and consequence unique to the implementation of cross matching. Such employees faced a sense of displacement and disruption to their career trajectories, particularly the majority were redeployed into different roles for which they were not trained for, and were dependent on the cross-match committee's ability to find them alternative employment.

Following on from the above quote from Mike, SteelCo also aimed to support employees through redeployment or into employment elsewhere by providing support services throughout the restructuring processes. This leads onto the second aspect of SteelCo's employment responsibility, through the provision of employability services. TrainingCo was an important actor in delivering these support services. TrainingCo is a fully owned subsidiary of one of the main unions on site that provided education and training services focusing on improving the employability of employees affected by restructuring. Although the support services offered by TrainingCo were considered by the HR and union participants as a responsible way of helping employees secure employment post-restructuring, it was its inclusion in the process as a responsible *organisation* that became a central theme in discussions with the HR and union participants.

As a subsidiary of the main trade union on site, TrainingCo had a history of dealing with steelworkers affected by restructuring, which meant its service was appropriately tailored to the needs of SteelCo. Furthermore, since TrainingCo was part of a trade union, it was considered the more responsible option compared to other service providers because of this



link to the trade unions. Through association with the unions, then, TrainingCo was perceived as not only able to deliver the relevant employment support services but also as the responsible choice of provider. There was a further case also made by the union participants, in that TrainingCo was the cheaper option for SteelCo due to its status as a subsidiary of the union, as opposed to the more commercially-oriented skills, training and recruitment agencies. The responsible option was thus framed, and sold, by the unions as the more cost-effective option. These ideas were illustrated by Sebastian, a senior union official, in that TrainingCo did not have the ulterior motive of profit like other service providers:

*It's a training arm of a union, it could be any union, but the principle is there. Because we will utilise their [TrainingCo's] training provision in the most responsible not for profit way, working with the company, who doesn't have a whole load of money, you're restructuring and you're taking jobs out and that's fundamental because you're not making money as a business so you're not therefore going to be able to spend thousands and thousands on retraining, there's a fine line. Use a trade union that you have a good working relationship with, TrainingCo is that union provider if you like, it's a much better service and there's an understanding there already, that's a more socially responsible partnership...because with the others it's not about CSR, not social responsibility, it's just the classic case of there's money to be made in job loss. (Sebastian, senior union official, July 2014)*

This leads onto a discussion of other service providers SteelCo engaged with to help affected employees maintain employment. SteelCo organised jobs fairs for affected employees, whereby local organisations and stakeholders – such as recruiting companies, Jobcentre Plus, further education colleges, skills agencies and recruitment agencies – came onto the SteelCo site to advertise employment and education opportunities to affected employees. These jobs fairs, however, only operated during the PA restructuring process. Both HR and union participants expressed concerns in interviews about the suitability and relevance of training providers to the specific type of employees affected by the restructuring, thus meaning that during P2P SteelCo decided not to engage with the external providers to the same extent as they had done during PA. Granted, the scale of restructuring was different in PA and P2P (1200 and 500 job losses, respectively), yet it was the suitability of the services to the specific needs of the SteelCo workforce that was questioned by the HR and union participants. The HR and

union participants reported that the issue with external service providers was that their blanket, universal approach to providing support was considered inconsistent as they did not recognise the specific needs of distinct groups of workers, such as engineering craftworkers and members of the finance team, at SteelCo.

The recognition of the distinction between different types of occupations was discussed amongst all participants during the research; the categorisations of which were distinguished in Chapters 4 and 5. For the most part, engineering craftworkers and those in manual roles were redeployed across the plant with relative ease. For example, many of those affected in the engineering department simply transferred across to production roles working on the reline of the blast furnace. This was in comparison to more office based staff, such as those from the finance and communications department, who tended to have greater ambitions to do work, such as staying in a finance based role, that was similar to what they were currently doing and were qualified for. In terms of actual employability practices, however, what was offered was viewed by many of the affected employees as basic and limited in scope.

The main type of support offered to the workforce were workshops that helped employees with CV writing and interview techniques. These were conducted by two project officers from TrainingCo, and involved drop-in type sessions where employees who were either applying for jobs internally or considering a job externally went to receive guidance on the application process. All participants accepted that the basic employability support, the CV writing and interview techniques, was more appropriate to older, manual workers at SteelCo and thus had not experienced, in some instances for up to 35 years, applying for jobs, let alone applying for jobs online. In comparison, office and administrative staff, for the most part, had access to computers daily and did not consider the online application process as much of an ordeal. This was a point recognised by employees, as the basic employability services on offer were perceived as too basic for office and administrative personnel but appropriate for the needs of older, manual workers. As stated in Chapter 5, proportionally, more office and administrative workers were affected in P2P and PA than had historically been the case in previous restructuring processes at SteelCo, meaning the distinction between the needs of workers in different types of occupations was brought into sharper focus during the implementation of these practices. Although the HR and union participants questioned the blanket approach to provision of external support after the PA process, the decision to drop the engagement with

providers from PA to P2P did not necessarily improve the appropriateness of the employability services for employees, especially for office and administrative staff.

Whilst SteelCo recognised the difference in needs between occupations, and the inadequacies of external service providers in understanding this difference, the support on offer did not subsequently improve despite this recognition. Consider the following two quotes from affected employees. The first is an account from Ron, with 38 years' service at SteelCo, and was affected by the engineering department restructure, who highlighted some of the difficulties experienced by manual workers during the restructuring process. The second is from Charlotte, with just 18 months' service in the communications department, but who also drew upon the experiences of her Dad who also worked at SteelCo in a manual role and was affected by restructuring.

*I mean you know what's it's like with CVs, filling job application forms in, attending interviews, its nerve racking isn't it? To sit in front of strangers and sell yourself. I mean filling it all in, every time you apply for an interview you change your CV and tailor your CV to that particular job, not all jobs are the same you know, so different jobs need different CVs really. Takes a while don't it, and I had to do that 10 times in a short period of time, most people have only done that 2 or 3 times in their life... We aint really used to all that (Ron, engineering department, March 2015)*

*I think for some people it's helpful. I mean, when I walked past the room [the TrainingCo workshop] I knew that the guys that were in there, and you know these guys from the plant are in their 50s, have always worked here. They don't know where to start when it comes to creating a CV or applying for other jobs, they don't use computers. I think there's a place for that but not so much for me because I'm a graduate that works in an office and I know the drill in that respect, but like my Dad for example, he didn't have a clue where to start. (Charlotte, communications department, February 2015)*

Thus, recognising the different requirements between occupations at SteelCo, or indeed different groups or categories of workers more generally, has implications for how we understand the implementation of responsible restructuring. The decision to engage with external service providers in the PA process and not in the P2P process was essentially viewed

as a responsible decision, as it reflected what SteelCo believed was more important to their specific occupational demographics of the workforce. Responsible restructuring is thus understood from these findings in more specific, localised terms. Whilst literature on responsible restructuring emphasises the importance of helping employees affected by restructuring into employment post-restructuring, the case of SteelCo illustrates that the context in which these prescriptive forms of support are implemented matters to whether an organisation – or, more importantly, affected employees – views them as responsible or not. Engagement with external service providers – and other stakeholders, more broadly – may be considered a characteristic practice of responsible restructuring, but it is not just *who* organisations engage with but *what* the engagement contributes to the process within the confines of that organisational context (Greenwood, 2007). Simply referring to a list of responsible restructuring practices - such as employability services, or even effective communication - and implementing them during restructuring may, at face value, suggest that an organisation has conducted a responsible process. This, however, ignores whether the contexts in which such practices are applied have necessarily led to a more responsible outcome for affected employees. Broadly speaking, the case of SteelCo suggests that the incidence of certain ‘responsible’ practices within a restructuring process does not equate to their efficacy if the organisational context that shapes their implementation is not also accounted for.

### **Concluding remarks**

This chapter used the earlier framework that categorised four areas of responsible restructuring practice to further explore the process implemented by SteelCo. These categories of responsibility refer to the *regulatory*, *procedural*, *communication* and *employment* responsibilities, as outlined in Chapter 3. The analysis eschewed description of all the specific practices implemented by SteelCo, but sought to explore how the different areas of responsibility were enacted upon. Four themes that emerged, and overlapped, within these categories were discussed: the explicitisation of *de facto* restructuring practices that were repackaged as SRR; the *post hoc* rationalisation of practices as SRR; the role of informality in circumventing the formal SRR processes; and the relativist, localised and contextual nature of the implementation of SRR practices.

In relation to how SteelCo repackaged previous, long-standing restructuring practices as responsible, this was most evident in three ways. The compliance with legal requirements and

documentation of the formal restructuring procedure were both celebrated by the HR and union participants, along with the emphasis on the cross-match process being the key practices that sought to uphold its regulatory responsibilities. The practices identified in the PA and P2P processes were not new to SteelCo, nor the least expected of them in terms of legal requirements, but were made explicit to present to the workforce an image of acting responsibly.

Given that the HR team were awarded an internal CEO award for their efforts in conducting the process, this highlighted the *post hoc* rationalisation of the restructuring process as responsible. By retrospectively applying company values to different aspects of the process, HR framed the restructuring as responsible and thus, pragmatically, were recognised for their efforts in managing the restructuring process, as with the internal CEO award. These findings suggest that attempts by organisations, as evident in analysis of SteelCo in the preceding chapters, to uphold their procedural responsibilities may operate as a way for them to legitimise the restructuring amongst the workforce under the guise of ‘responsibility’. That is, the establishment of supposedly official ‘responsible’ procedure related to restructuring, such as through company policy documentation, at SteelCo may serve as a way for organisations to justify the incidence of a responsible approach. This comes at the expense of a more substantive concern for the effects on employees, as describing the restructuring as ‘responsible’ also serves specific strategic goals of reducing any backlash or protest from the workforce, and maintaining a positive reputation during the implementation of an ostensibly difficult restructuring and redundancy process.

The distinction between the formal and informal aspects of the responsible restructuring process were most evident in the analysis of the breakdown of the formal channels of communication initiated by SteelCo. There were both negative (rumour mills) and positive (informal networks of unions) aspects of this informality for SteelCo. Again, as discussed in Chapter 7, the role of the unions came into focus in providing an outlet for affected employees dissatisfied with the formal channels of communication. The danger here is that the role that unions contributed towards making the process more responsible, such as advising and guiding affected employees outside the formal channels of communication, was not officially recognised by SteelCo.

Lastly, whilst the provision of support for affected employees to maintain employment existed and can be viewed as best practice, the extent to which this was perceived by employees as responsible was hindered given the blanket approach taken to its implementation. In this sense, the standardised approach to the provision of support meant affected employees did not perceive SteelCo's SRR process as distinctly 'responsible'. This also reflected in the above analysis relating to explicitisation of practices as regards to SteelCo's regulatory and procedural responsibilities, demonstrating the way in which SteelCo's attempts to address certain areas of responsibility may enable or hinder the perception of responsibility in others. Notably, the perceived inadequacies of the support by affected employees illustrated that any attempt to address relevant employment responsibilities must account for the occupational demographics of the workforce, and be suited to the needs of differing types of workers for a process to be considered responsible by those most affected.

The preceding empirical chapters have explored the rationale, processes, practices, interactions and dynamics in the implementation of SteelCo's self-described SRR process. Discussion has focused around the way elements of SteelCo's process reflected prevailing understanding of responsible approaches to restructuring, with reference to the conceptual framework Chapter 3 guiding the logic of the analysis. The next chapter concludes the thesis by offering some extended discussion of significance of the findings, highlighting the key theoretical and practical contributions.

## Conclusion: the concept and practice of responsible restructuring

This research has explored the rationale, processes, practices, interactions and dynamics of an organisation implementing a responsible restructuring process. The research identifies a range of issues pertinent to the implementation of a restructuring process at a UK steel plant (SteelCo) that claimed to have conducted, what it described as, ‘socially responsible restructuring’ (SRR). The contribution of this research is framed by the argument that the tendency to view responsible restructuring as sets of prescriptive best practice approaches has meant less attention has been afforded to how local organisational context, history and worker expectations, shape the implementation of such processes. Drawing on debates from the HRM literature, the thesis advanced is that the concept of responsible restructuring is more appropriately understood through a *best fit* approach. A best fit approach recognises the contingencies of local organisational and institutional factors, the particularities of steel industry industrial relations and the occupational identity of steel workers themselves.

This is a departure from the prevailing emphasis in the academic and policy literature on the implementation of prescriptive best practice approaches, which has led to an under theorisation of responsible restructuring. Further, although it is possible to identify a number of good restructuring practices, the argument in this thesis is that the overall perspective of the best practice approach is problematic. At SteelCo, there were three contextual variables most prominent in shaping the design and delivery of its SRR process. These relate to the historical nature of existing restructuring practices, the role of trade unions and the relevance of the steelworker occupational identity, which are developed further below.

In addition, the findings lead to the conclusion that the extent to which responsible restructuring represents a novel, meaningful change in organisational practice is questionable. That is, whilst literature proposes that the practice of responsible restructuring aims to ameliorate the impact on employees affected by restructuring and redundancy, this research identifies two ways management can use it strategically to address specific management goals. Firstly, responsible restructuring allows management to *legitimise* restructuring amongst the workforce, utilising a rhetoric of responsibility to neutralise the perceived negative connotations associated with restructuring and redundancy. In this sense, responsible restructuring is viewed as a strategy employed by management to generate an acquiescence amongst the workforce towards its implementation. In turn, management seek to use responsible restructuring to reduce any

consequential protest over the decision to implement redundancy processes. This was evident from SteelCo, whereby historical, long existing practices were *reframed* and *repackaged* under the guise of ‘responsibility’ to support management’s strategy of legitimisation of the restructuring process.

Secondly, and relatedly, management appear to seek to implement such a process to prospectively counteract the negative effects associated with survivors’ syndrome. Indeed, the research at SteelCo also extends understanding of the types of employees affected by responsible restructuring, recognising that restructuring not only impacts on victims and survivors, connecting to debates in the HRM literature, but also identifies a new, analytically discrete, category of affected employee. These are termed *inbetweeners* and reflect the status of employees who are *victims* as their job was made redundant, yet are *survivors* as they were subsequently internally redeployed. The implications of the experiences of inbetweeners of restructuring and redundancy is outlined below.

This research utilised, and built on, the intersections between HRM, industrial relations and business ethics literature in arguing that future research should include a greater focus on how local organisational contexts shape the implementation and outcomes of responsible restructuring processes. The remainder of this concluding chapter develops these arguments by expanding on subthemes and contextual variables identified as crucial to the implementation of SteelCo’s SRR process. The chapter ends with a commentary on a particular strength of the methodological approach taken, before outlining the implications of the conceptual framework developed in Chapter 3 for future research into, and practice of, responsible restructuring.

### **Implementing responsible restructuring: best practice, best fit and local organisational context**

One of the aims of the research was to understand how the practices implemented at SteelCo led to its description of restructuring as SRR. This question sought to explore the practical implementation of a responsible restructuring process, given the emphasis on best practice approaches in the HRM literature and EC and ILO documentation highlighted in Chapters 1 and 3. Whilst most of the practices implemented at SteelCo reflected this prevailing literature, the findings in the preceding chapters point to the limited applicability, and relevance, of these best practice, prescriptive approaches in implementing responsible forms of restructuring



(Cascio, 2005, Cascio and Wynn, 2004, Auer, 2001). Despite the existence of supposed best practices at SteelCo, any perceived success, or not, of certain practices cannot be isolated from the specific (local) contextual – historic, contemporary and institutional – factors that shape their implementation. Thus, a call for the influence of context to be more deeply and explicitly integrated into subsequent studies of responsible restructuring is a key contribution from the research conducted at SteelCo.

The recognition of the role of local organisational context is hence important, as literature on responsible restructuring has assumed that the implementation of certain ‘responsible’ *practices* equates to an overall responsible restructuring *process*. Therefore, this thesis advances the argument that, conceptually, a responsible restructuring strategy should be characterised, as per the strategic HRM literature, as a best fit approach that recognises the contingencies of the specific organisational context. This is a departure from the emphasis on best practice approaches that have, historically, been the dominant characterisation in the literature.

As identified in Chapters 1 and 2, typically a ‘menu’ of practices is recommended to employers for adoption when planning on conducting restructuring in a responsible fashion. This is not to suggest, however, that good restructuring practice cannot be identified (Stuart et al, 2007). For instance, providing employment support and skills training to those made redundant may be considered good restructuring practice. Instead, the capacity for management to implement practices so they are both *perceived* as responsible by the workforce and ameliorate the effects of restructuring and redundancy necessarily depends on the local organisational context in which they are implemented. This was evident at SteelCo in several ways as discussed in the preceding chapters, but, for example, Chapter 7 demonstrated how the SteelCo context enabled the trade unions to contribute to the communication responsibilities of SteelCo’s process. Further, another key element of the SteelCo context elaborated on in Chapter 7 relates to the above example of employment support and skills training, as the provision of this was perceived by management and the workforce as objectively good restructuring practice. That said, at SteelCo its differential effectiveness disproportionately inhibited the subsequent employability status of office and administrative staff more than manual workers, and therefore was not viewed by employees, particularly the former, as distinctly *responsible* practice.

Therefore, emanating from this research, it is argued that there is no blueprint, or objective approach, to ensure the implementation of responsible restructuring. The simple *incidence* of a ‘responsible’ practice cannot be assumed to equate to its *efficacy*. This is an important distinction that debates around responsible restructuring in the HRM literature thus far have overlooked (Teague and Roche, 2014, Tsai and Shih, 2013b). This is not to suggest, however, that in certain contexts responsible practices are ineffective. Rather, it is that there is no absolute, cast iron approach to responsible restructuring. Its implementation is contingent upon, for example, factors such as the embeddedness of particular actors or institutional arrangements (trade unions, collective bargaining), or the dispositions, and expectations, of the workforce towards restructuring that is shaped by particular demographics or occupational identities (office, administrative or manual workers, older or younger workers, pension entitlements). Despite this, at face value, or at least consistent with criteria outlined in the prevailing academic and policy literature, one might well suggest that SteelCo’s restructuring process be *objectively* described as responsible restructuring (Teague and Roche, 2014). The closer attention paid to the implementation of restructuring practices in this research, however, identified considerable gaps in the provision of responsible practices and their subsequent effectiveness at ameliorating the effects on employees. Thus, the findings from this research propose that less emphasis should be placed on the existence of certain objective measures in future studies of restructuring. Instead, it is upon the contingencies, and within the parameters, of the specific organisational context that a responsible restructuring is more appropriately understood.

Investigating the implementation of the practices that constituted SteelCo’s SRR process also revealed insights as to ways that the HR function, more broadly, strategise responsible restructuring processes in practice. As mentioned, responsible restructuring may not always necessarily be a novel approach to restructuring as suggested by its proponents in the literature, nor represent a meaningful change towards more responsible or ethical HRM practice (Forde et al., 2009, Greenwood, 2013). At SteelCo, long standing restructuring practices were reframed through a narrative of ‘responsibility’ in its SRR process, as opposed to any distinct augmentation to these existing responses to restructuring. Nonetheless, there were deliberate attempts throughout, and after, SteelCo’s restructuring to make explicit its commitment to implementing its process responsibly. This involved, for instance, celebrating such practices as the close engagement between the HR team and trade unions during the redeployment phase and ensuring no compulsory redundancies. Both these practices existed prior to the SRR process, though not previously described as explicitly ‘responsible’. Thus, in placing the

restructuring processes researched into an historical organisational context of SteelCo's approach to restructuring, the supposed SRR process did not represent any meaningful difference on how it conducted restructuring in the past.

In this sense, this thesis argues that one aspect that *is new* to the debates around responsible restructuring is management's employment of the process as a strategy for legitimisation. Such a strategy suggests that responsible restructuring is conducted in the pursuit of maintaining, or even improving, the perception of the organisation amongst employees and other stakeholders. Concern amongst management for this perception is of particular relevance when conducting an ostensibly difficult, and often unpleasant, restructuring and redundancy process. This is not to say, however, that there was no sense that the management at SteelCo did not intend to genuinely act responsibly, as the analysis in Chapter 6 demonstrated. Rather, it was that this pursuit of 'responsibility' disproportionately served management's goals in comparison to addressing the more substantive needs of affected employees.

### **Victims, survivors and 'inbetweeners': strategic imperatives of responsible restructuring**

An objective of the research was to understand how SteelCo sought to ameliorate the impact of restructuring and redundancy through its responsible (SRR) process. Thus, the research explored whether SteelCo's SRR process generated a different response from employees from a process explicitly described as such. A key motive for SteelCo's SRR process identified in interviews with HR and management centred around the impact that the process would have on those remaining at SteelCo post-restructure; the 'survivors'. The findings highlighted how management and HR at SteelCo believed that by implementing a process in a fair, just and equitable way, any negative effects on survivors would, prospectively, be mitigated. Linking to the strategising of responsible restructuring, SteelCo intended to maintain the commitment and loyalty of the post-restructuring workforce through describing its process as SRR. Employees, or survivors, would then take solace, per SteelCo's rationale, in the notion that the company could be trusted to manage the process responsibly. SteelCo's hope was that this would essentially engender a demonstration effect for any potential future restructuring processes, as presented in Chapter 6. Indeed, a feature of the business ethics and HRM literature related to restructuring is how the implementation of such processes can impact on the employment relationship, through perceptions of fairness amongst employees towards

employers; typically, in a negative fashion (Hopkins and Hopkins, 1999, Van Buren III, 2000, Sahdev, 2003, Devine et al., 2003, Bergström and Arman, 2016). What the research at SteelCo highlights, then, is that although responsible restructuring has been understood as an approach that ameliorates the impact on the *victims* of restructuring and redundancy, such a process can also be intended by management to strategically counteract the effects on the post-restructuring workforce (*survivors*).

This recognition of the intended strategic benefit of restructuring reinforces and expands on tentative debates in the HRM literature by Teague and Roche (2014) and Bergstrom and Arman (2016) about the impact of responsible restructuring on survivors.

If there are prospective strategic benefits of implementing responsible restructuring, as it seems from the SteelCo data, what might explain the reasons for the observed low rates of its implementation by Teague and Roche (2014) and elsewhere in the literature? A contention of this research is that the observed low rates of responsible restructuring is a consequence of measuring the existence of, and compliance with, a set of objective, prescriptive practices. Evaluating supposed cases of responsible restructuring in this way neglects the dynamics involved in the practical implementation, and the perceived success of the process from affected employees, in favour of a simple recording of the incidences of certain responsible practice. A strength of this research, then, is the contribution of a rich, qualitative study that explores and hence acknowledges the dynamic interactions that emerge between actors involved in the design and delivery of responsible restructuring process, as opposed to simply a 'checklist' approach of prescriptive best practices. In this sense, the research at SteelCo highlighted how the impact of survivors was factored into the design of its (in tandem with the unions) responsible restructuring strategy. This research contributes empirical data supporting the notion that such strategies may also be designed, prospectively, to address the concerns of survivors and not only the immediate victims, to, broadly speaking, maintain their commitment and loyalty post-restructuring.

The distinction between the victims and survivors of restructuring and redundancy is well established in the HRM literature (Sahdev, 2003, Devine et al., 2003). However, the findings at SteelCo suggested that not all workers affected by the restructuring process fitted neatly into either of these categories. Many employees' experience their job being made redundant but are subsequently internally redeployed (cross matched) into new roles, or into roles made vacant

by those taking voluntary redundancy. Therefore, the findings from the research at SteelCo proposes a new, analytically discrete category of affected employee, in those who fall into the interstices between victim and survivor status. Such employees have been directly affected by restructuring (victims) yet retained employment at the same organisation through redeployment (survivors). This category of affected employees is identified here as *inbetweeners*. Thus, this thesis proposes that future research into restructuring, responsible or otherwise, must address the experiences of this group to provide a more nuanced understanding of the impact of such processes on the workforce. Experiences related to concerns over, for example, the detrimental impact redeployment would have on career advancement, the loss of the social bonds with colleagues and the influence of the supposed ‘pension trap’; as discussed in detail in Chapters 7 and 8. This is a pertinent contribution to the development of the responsible restructuring literature, as the findings illustrate how SteelCo celebrated its redeployment (cross-match) process as part of its responsible approach. Therefore, if redeployment continues to be characteristic of responsible restructuring, then the distinct experiences of those who fall into the interstices of the ‘traditional’ victim and survivor status (*inbetweeners*) cannot be ignored.

### **Trade unions and responsible restructuring: union accommodation and the management of change**

In building on the argument of the importance of local organisational context, examining the role of the trade unions proved key to understanding the dynamics of the design and delivery of SteelCo’s SRR process. Although the existence of trade unions can be viewed as a contextual variable as unions are not present in all cases of restructuring, the notable role they played in SteelCo’s SRR process demonstrates how the implementation of responsible restructuring is shaped by the prevailing industrial relations climate, its institutional arrangements and its historical antecedents.

Despite the role of unions in aiding both affected employees and the HR team at SteelCo, as evidenced in Chapters 6 and 7, this represented, ultimately, accommodation by the trade unions to management’s decision to restructure. That is, the findings point to how the role of unions in this case was reduced to managing employment restructuring and redundancy processes rather than providing opposition in terms of protesting or preventing its implementation. The management and HR team at SteelCo benefited from this accommodation by unions, as it provided a means of further legitimising its restructuring process as ‘responsible’. SteelCo’s

motives for this were around ensuring no industrial unrest in the form of employment tribunal claims or subsequent industrial action was evident in its desire to maintain a positive industrial relations climate, despite cutting jobs. This was achieved given that this legitimisation helped destigmatise the restructuring process amongst the workforce (MacKenzie, 2009), thus strengthening management's claims to have conducted the process in a responsible fashion.

For the most part, however, the unions at SteelCo faced little alternative but to accept management's decision to restructure. The parlous economic climate facing SteelCo was coupled with a 'survival' rhetoric, as discussed in Chapter 6, and meant that the unions had little recourse to challenge the decision to restructure. Although it is a common trait of management to present a decision to restructure as inevitable (Stroud and Fairbrother, 2012), the findings point to how management may seek to further justify a restructuring process by framing it through a narrative of themselves, and the unions, acting responsibly. Indeed, this raises questions as to how unions might respond to, or resist, management's strategy of framing restructuring as responsible, which given the nascence of the topic has not been a major feature of the industrial relations literature. What can be inferred from the case of SteelCo is that management may implement responsible restructuring, either with distinctly responsible practices or through such legerdemain as reframing existing practices, to placate the unions. Such an approach therefore obliges unions to participate in a process that, supposedly, has the amelioration of the impact on workers at its heart.

In developing this argument further, responsible restructuring may thus represent a strategy for management to reduce the possibility of future confrontation to the implementation of restructuring from the unions and relevant stakeholders. Framing restructuring as responsible may indeed make it easier for management to implement such processes, given the close engagement with stakeholders, such as unions and employees, that it elicits. Whilst the existence of certain 'responsible' practices and the placating of the unions appears to relax the implementation of the process, this arguably shifts, or redistributes, the balance of management's perceived risk of conducting restructuring. That is, the risks associated with implementing restructuring are thus shared amongst stakeholders involved in the process; such as the potentially negative effects on the subsequent industrial relations climate referred to in Chapters 5 and 7. At SteelCo, greater risk was placed upon employees to make use of the responsible practices implemented, and upon the unions through their engagement with management. These findings were explored in Chapter 7 regarding the 'complicity' of unions

throughout the design and delivery of its SRR process. Given the debates around the apparent importance of engaging with stakeholders in responsible restructuring, as Chapter 2 explains, the findings from the SteelCo case call into question the to extent to which this is a necessarily positive characteristic of such processes (Forde et al., 2009, Papadakis, 2010, Greenwood, 2007). Instead, what the findings from SteelCo point to is that management may exploit, and utilise, the input of stakeholders, such as the unions at SteelCo, to spread the potential risks associated with implementing restructuring and redundancy processes amongst those stakeholders.

Although the findings identify barriers facing unions in preventing management's decision to restructure, the unions at SteelCo could shape the outcomes through their participation in its implementation. For example, Chapters 6 and 7 highlighted how the unions provided support to the HR team in communicating with the workforce and chairing the redeployment (cross-match) process. In this sense, unions, whilst not always being able to prevent change, have a role to play in the *management of change* (Pulignano and Stewart, 2012, Pulignano and Stewart, 2013, Martinez Lucio and Stuart, 2005, MacKenzie et al., 2006, Ackers and Payne, 1998). Thus, the thesis presented through the SteelCo research recognises the positive contribution that unions can make to the specifically 'responsible' aspect of responsible restructuring. At SteelCo, however, the role of unions received little formal recognition in the aftermath of the restructuring, such as with the CEO award for the HR team, indicating that this positive contribution of the unions may be subsequently marginalised; as reflected upon in the above discussion on management's engagement with stakeholders. What is evident, then, is that despite the positive role that unions play, management ultimately 'own' the process in such a way that in this case, it, chiefly, receives the plaudits for *its* implementation of responsible restructuring.

Of course, unions may not necessarily aspire to be associated with the delivery of a process that ultimately leads to redundancies. This is because such an association, arguably, contradicts their *raison d'être* of preserving employment, and thus raises questions around whether unions are independent from management (MacKenzie, 2009, Rodríguez-Ruiz, 2015). That said, in terms of union strategy, the research at SteelCo highlights the positive, supportive contribution unions make to restructuring, and thus their potential to compel management into implementing a responsible process. Unions may wield the narrative of responsibility and use it against management to 'bring them to the table' and thus shape the implementation of restructuring in

a way more acceptable for unions and their members. Borrowing ideas from Ackers and Payne's (1998) work into British trade unions and partnership debates, unions can attempt to 'play back' the rhetoric of responsibility to management to establish a more proactive, and positive, role in the design and delivery of restructuring processes. This means, however, that unions must accept their accommodation to management's decision to restructure, yet recognise that they still maintain an influence if the process is to be implemented in a responsible manner.

In relation to the influence of unions in shaping responsible restructuring, Chapter 7 provided an analysis of the negotiations that took place between SteelCo and the unions. The findings identified an emergent connection between the ways unions can induce management to act responsibly at the negotiation stages of restructuring by engaging in more integrative forms of bargaining. This corroborates work by Garaduel et al (2008) in that there is 'integrative potential' for unions and management in bargaining over responsible approaches to restructuring. This assumes, however, that both management and unions are prepared to play a positive sum game, which may be undermined by the earlier discussion of management shifting the risks of restructuring amongst stakeholders. In practice, bargaining over restructuring is likely to be associated with a mixed bargaining process (Walton and Mckersie, 1965) and forms of concession bargaining (Garaduel et al., 2008, Teague and Roche, 2014, Roche and Teague, 2015, Roche et al., 2015). Indeed, the parlous economic climate and 'survival' rhetoric at SteelCo meant the unions were forced to make certain concessions, such as accepting redundancies in exchange for involvement in the design and delivery of the process, as detailed in Chapters 6 and 7.

Thus, this research contributes to debates in the literature around the potential for unions to adopt more integrative forms of concession bargaining so as to specifically engage management in implementing more responsible forms of restructuring (Garaduel et al., 2008, Teague and Roche, 2014). Regarding how unions might 'play back' the rhetoric of responsibility to management, this thesis calls for future research that aims to more explicitly establish, empirically, the extent to which forms of integrative, concession bargaining are consistent with the implementation of a responsible restructuring strategy. This finding thus reflects an area of research emerging in the academic literature (Teague and Roche, 2014, Tsai and Shih, 2013a). Future research would seek to sharpen the focus on the role that unions play, and can play, in restructuring processes, as opposed to the case of SteelCo wherein their role



was subsequently marginalised in management's celebrations of its responsible approach to restructuring.

### **Employees' experiences of restructuring: the importance of occupational identity**

Understanding the experiences of those affected by SteelCo's SRR process was an important question driving the research. It became apparent, however, that simply presenting the negative experiences of those affected by restructuring and redundancy processes, therefore corroborating the extensive literature discussed in Chapter 1, does not produce new insight into how the experience of a 'responsible' approach might differ. As the research progressed, the issue of how affected employees responded to restructuring, both at the immediate announcement and throughout the implementation of the process, became pertinent. Notably, the interviews with employees highlighted a range of social, cultural, material and experiential factors shaping their response to the restructuring process. A key finding from the interviews with affected workers was how these factors meant they had internalised the experience of restructuring, and the extent to which dealing with restructuring was an aspect of the steelworker occupational identity. In essence, because employees were, for the most part, accustomed to the experience of dealing with restructuring, they were thus largely indifferent to SteelCo's description of its process as SRR. This indifference, or seeming acquiescence, of employees further legitimised SteelCo's restructuring process. That is, there was a lack of protest or challenge against the restructuring, thus suggesting a degree of equanimity in the response of the workforce. Put simply, dealing with restructuring and redundancy had become an accepted part of the experience of working at SteelCo.

A notable insight from the research at SteelCo was that the makeup, or demographics, of the workforce is a crucial contextual variable when exploring forms of restructuring, responsible or otherwise. For instance, understanding how the social and historical processes that constitute occupations and occupational identities have an impact on how employees respond to restructuring. During interviews with employees at SteelCo, participants spoke of four distinct, yet overlapping, types of prior experience that shaped their responses. These were identified as the *personal*, *vicarious*, *historical precedence of the UK steel industry*, and *accommodating role of the unions*, as presented in Chapter 8. Dealing with the implementation of restructuring was endemic to the occupational experience as steelworkers. At an empirical level, employees

did not perceive themselves to have been subject to a distinctly, ‘responsible’ restructuring process. This is not to say that employees were not still negatively impacted by restructuring in terms of the effects to their well-being, nor that they were apathetic to SteelCo’s decision to restructure. Rather, it was that the description of the process as *responsible* was meaningless to employees, as interviews with employees highlighted that there was not anything perceivably distinct, or novel, about the implementation of SteelCo’s SRR process. This perception of the process from employees is, hence, consistent with the above discussion around the ways in which management utilise responsible restructuring as a rhetorical device.

The findings from the SteelCo research therefore demonstrate the relevance of the experiences of different types of industry, employment, or occupations, in shaping responses to restructuring. As noted above, this is not to say that SteelCo did not make a genuine effort to implement restructuring in a responsible way. The findings from interviews with employees, however, call into question the ways in which a responsible restructuring might be perceived, evaluated or measured. For example, even if organisations are proactive in adopting a responsible approach to restructuring, if employees do not perceive it as such does this then undermine the organisations’ approach and suggest the process is not responsible? This is an important contribution to the debates around responsible restructuring given that, at its essence, the process has been proposed as a means to ameliorate the negative effects of restructuring and redundancy for affected employees. Following this, future investigation into responsible restructuring should necessarily consider in depth the response of those most affected, and not rely on the incidence of certain responsible practices, hence the attention paid to the experiences of employees in the research at SteelCo.

Thus, this thesis argues that future research should recognise how particular social and historical processes influence the extent to which a process may be perceived as responsible by employees. Put simply, the immediate restructuring context cannot be taken in isolation from social, cultural, material and historical factors (MacKenzie et al., 2006, Strangleman, 2001, Riach and Loretto, 2009). At SteelCo, the dispositions of the workforce, as presented in Chapter 8, highlights how particular cultural (such as the strong occupational community, close social ties and the steelworks providing a ‘job for life’) and material (as outlined in the ‘any job’ argument and the ‘pension trap’) factors shaped the way employees responded to restructuring (MacKenzie et al., 2006, Gardiner et al., 2007, Gardiner et al., 2009). Such an approach may not only generate a better understanding of how responsible restructuring might

be measured, but also bring into the question the legitimacy of the implementation of such a process in other industrial and sectoral contexts. For instance, what are the differing perceptions of employees towards being made redundant in, say, a small technology start-up compared to a traditional industry like steel? The necessity of studying responsible restructuring in a variety of industrial, sectoral and organisational contexts is further elaborated below. An argument emanating from this research, then, is that any judgement on whether a restructuring process is responsible should be presented with caution. That is, such a judgement is limited unless the implementation of objective measures is understood in the context of the subjective dispositions, such as the steelworker occupational identity, of the workforce directly affected by their implementation.

### **Researching responsible restructuring: method, concept and practical recommendations**

A crucial aspect of the SteelCo research was the use of an in-depth, qualitative case study research strategy, exploring a case of putative responsible restructuring. To date, there have been limited in-depth qualitative studies into restructuring considered or described as responsible. As discussed in this concluding chapter, the prevailing quantitative approach has seldom captured the richer, more complex, interactions and dynamics between management, HR representatives, unions and employees throughout the implementation of responsible restructuring, exposing a methodological gap that the research at SteelCo sought to address. The case study involved 59 semi-structured qualitative interviews with management, HR representatives, unions, employees and other relevant stakeholders, along with a non-participation observation element of the data collection that provided a methodological strength of the case study. As outlined in Chapter 4, SteelCo granted unrestricted *in situ* access, permitting attendance at meetings and activities associated with its restructuring process. This provided a ‘real time’ insight into the implementation of the restructuring at SteelCo.

The non-participation observation element of the research proved particularly beneficial. The natural observation of interactions between management, HR representatives, unions and affected employees in both formal and informal environments generated a multi-textured picture of the dynamics of implementing a restructuring process. Observations involved, for example, the disagreements between management and unions over which departments should experience job cuts, the discussions around implementing certain training and support practices

and the informal communication between unions and affected employees in corridors and canteens. Although interviews were conducted retrospectively, the observations of meetings between management and unions happened in real time, during the restructuring exercise. The initial access to the plant not only developed a familiarity and rapport with SteelCo and participants, but also painted a more comprehensive picture of how acting responsibly during restructuring was understood, and discussed, by the key actors involved in the delivery of the process. The non-participation element of the research included attendance at cross-match and governance meetings; observing and recording interactions between unions and HR representatives; observing the delivery of the employability support at training workshops; and spending extended time at the plant in the offices of HR representatives and senior union officials and with employees in the steel mills. These all allowed for a plurality of perspectives on the implementation of SteelCo's SRR process, whilst also permitting effective triangulation of findings.

In researching a topic as nascent as responsible restructuring, it was useful to develop a conceptual framework to adequately explore such a process. A framework was developed, as outlined in Chapter 3, through a synthesis of the prevailing literature related to responsible forms of restructuring. The framework identified four categories of responsibility that organisations have sought to address when conducting restructuring processes: *regulatory*, *procedural*, *communication* and *employment* responsibilities. Given the under theorisation of responsible restructuring, this framework was marshalled *not* to 'test', deductively, the case of SteelCo, it is important to stress, but rather to use the categories as exploratory themes (Forde et al., 2009). By identifying categories of responsibility, the framework does not provide a checklist of practices but rather a set of analytical categories for explanation in the case study. Therefore, the emphasis of the research shifted towards how SteelCo acted responsibly in relation to these categories, and thus helped locate SteelCo's SRR process within the ways that acting responsibly during restructuring is discussed in the current academic research. This approach allowed for flexibility during the data collection and analysis stages. Furthermore, using the framework in this way helped sharpen the focus on the link between the implementation of practices and the associated contexts, rather than simple incidence of practices, and which led to SteelCo claiming its process as responsible.

At a conceptual level, the framework may be used to explore future instances of restructuring to refine understanding of responsible restructuring by both researching supposedly responsible

processes and, counterfactually, ‘irresponsible’ processes, as emphasised in Chapter 4. Again, the framework can be used to understand the ways that organisations do and do not address each category of responsibility, thus generating additional insights, and contributions, into the dynamics, challenges, and outcomes of implementing responsible forms of restructuring. Furthermore, by establishing categories of responsibility, as outlined in the framework, a more nuanced understanding of what is meant by acting responsibly during restructuring is offered, rather than the simple assumption of a blanket responsibility as is critiqued in Chapter 3. As illustrated in Chapter 6, the case of SteelCo provided empirical data that did corroborate this blanket assumption in terms of to whom a responsibility was owed, although it went beyond this by addressing the specific dynamics of what responsibility during restructuring subsequently entails. Using the conceptual framework presented in Chapter 3 demonstrates that the implementation of responsible restructuring is a more complex topic that belies a binary ascription of a restructuring process as responsible or not. The implementation of restructuring is so fraught with the contingencies of the local organisational context to render any such judgement analytically unhelpful. Thus, the framework provides a conceptual underpinning for an area that has suffered from a lack of adequate theorisation.

Additionally, in terms of modest practical recommendations, the categories of responsibility act as a heuristic device for the implementation of responsible restructuring. That is, practitioners seeking to implement a responsible restructuring process, inclusive of both management and unions, may use the framework as an aid to consider how they might conduct such a process in a way consistent with the local organisational context. Adopting the framework in such a way will, it is hoped, ensure that acting *responsibly* is the initial guiding principle when conducting restructuring as opposed to a *post hoc* rationalisation of the restructuring process as responsible. Indeed, sets of good practice may then be consulted by practitioners, but only in the sense that they might be adopted to be efficacious in addressing a category of responsibility. Again, by breaking down the blanket assumption of ‘responsibility’, practices and measures may be designed and delivered in way that more explicitly targets the different categories of responsibility identified in the development of the framework. For example, and following the above findings on the role of unions, unions may emphasise adherence to each of the category during bargaining over restructuring to elicit a more explicitly responsible approach from management. Thus, in the practical implementation of responsible restructuring, management, and unions, may pay greater attention to how the design and delivery of certain practices are more meaningfully geared towards the notion of

responsibility. Unions might also use the adverse reputational impact for organisations of *irresponsible* restructuring and play back management rhetoric of responsible restructuring to gain firmer involvement in the process.

### **Concluding remarks: future research and the essence of responsible restructuring**

In developing the topic of responsible restructuring there are many future avenues of investigation. The emphasis on a more contextualised understanding of responsible restructuring means that research into a range of different organisational and social contexts, with the conceptual framework offering some guidance in exploring future processes, would provide a useful course of action for the development of the topic. Of course, there exist countless restructuring contexts to which the framework might be applied given the pace and legitimacy of such processes in organisational life. That said, there are two particular areas of application that would serve a focused purpose.

Firstly, application to different national contexts will introduce a necessary comparative element to the topic of responsible restructuring. Due to the burgeoning interest in responsible forms of restructuring across the EU region, this will expose the national differences, and similarities, in restructuring regimes between member states, and the implications of these for responsible restructuring. Such research would contribute towards, and present challenges for, how policy across Europe and the EU can coordinate these different approaches. Subsequently, mechanisms through which responsible restructuring might become established across the region and address the impact on affected employees could be developed. Secondly, another crucial level of analysis is continued exploration of restructuring in the UK steel industry. Notably, this would involve continuing to capture the ongoing experiences, and life trajectories, of those affected by restructuring. This is perhaps a particularly pertinent avenue of investigation given the ‘crisis’ in the UK steel industry, as outlined in Chapter 5, whereby restructuring and redundancies continue abound. Although these two areas are of particular empirical interest, future research into responsible restructuring should be concerned as much with discovering *responsible* practice as it is *irresponsible* practice, so as to not simply lionise responsible organisations but to understand why, and thus scrutinise, ways that organisations fail in adopting a responsible approach.

Finally, to conclude, it is worth returning to opening passages of the introductory chapter where it is stated that responsible restructuring has been proposed as being a means to ameliorate the impact of restructuring and redundancy on affected employees. The findings around the extent to which responsible restructuring may be a rhetorical strategy employed by management suggests the process being used to legitimise the decision to implement restructuring and redundancies. Furthermore, greater attention must be placed on *enacting responsibility*, as opposed to enacting certain practices, to substantively address the consequences for those most affected by restructuring and redundancy processes. These findings were discovered through the case study of SteelCo, wherein a contention of the thesis is the identification of the ways in which the implementation of responsible restructuring is necessarily shaped by the local organisational context. Thus, this thesis presents a critique of the prevailing prescriptive, best practice approaches to responsible restructuring for having a limited applicability if the local organisational context in which they are implemented is not accounted for. In conclusion, the research at SteelCo advances the thesis that the concept of responsible restructuring is more appropriately characterised by a best fit approach that recognises contexts such as the contingencies of local organisational and institutional factors, the particularities of industrial relations, the histories of restructuring and the occupational identity of the workforce.

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## **Appendix 1 – CEO award**

<p><b>Title: Long Products Europe Hub: Delivering Headcount Reductions in line with the Tata values</b></p> <p><b>Linked Business Objective / Strategy / Goal: Whilst the above entry would be covered by the following Business Objectives the overarching goal for Long Products was covered by the 'Ark Project' which included all aspects of cost reduction</b></p> <p>2002.07.01 - Develop a sustainable long term plan for Long Products based around an optimal operating configuration and volume matched to optimised sales and costs</p> <p>2002.08.04 - Reduce total employment costs of own and contracted personnel</p> <p>2004.01.01 - Develop and deploy a flexible and best practice organisational and employment model to match operational activity levels</p>	
<p><b>Period of the Project / Initiative: May 2011 to March 2012</b></p>	
<p><b>1. Background:</b> <i>(Project / Initiative objective, purpose, aim- How big is the problem &amp; why are you talking about it?)</i></p> <p>The project was called 'Ark' which set the objective of introducing a new business model in to the Long Products Hub which would be based around the following key themes;</p> <ul style="list-style-type: none"> <li>• 25% less volume</li> <li>• £130M cost reduction</li> <li>• 1500 job reductions achieved through delayering organisational structures, asset closures, operational efficiencies, and operational flexibility</li> </ul> <p>This project was necessary to secure the future of Long Products hub through the steel cycle and in particular following the financial crisis that hit the world economies in 2007/08.</p>	<p><b>5. Countermeasures / Corrective actions:</b> <i>(What were the proposals identified and implemented to affect root causes and reach the desired goals/ targets?)</i></p> <p>To ensure that we could deliver the bulk of our headcount reductions in a socially responsible way:</p> <ul style="list-style-type: none"> <li>• Thorough consultation with Trade Unions and Individuals</li> <li>• Support packages for affected employees</li> <li>• Time to manage skills transition</li> <li>• Protecting and even enhancing the reputation of the company during a difficult time</li> <li>• Delivering headcount reductions in line with the Tata values</li> </ul>
<p><b>2. Current Condition:</b> <i>(What was the problem / issue - what do you actually know and how do you know it?)</i></p> <p>Long Products could not sustain the then current business model in the construction steel marketplace as the world financial crisis had hit the construction industry particularly severely. As such the traditional steel cycles were no longer applicable due to the volatility of demand being greater than it has even been. This together with an increase of capacity across the world has made the Long Products marketplace very difficult.</p>	<p><b>6. Plan:</b> <i>(Is the implementation schedule clear and reasonable, how will the effects of implementation be verified, Do we have a contingency plan?)</i></p> <p>The plan essentially followed the Tata values as described below;</p> <p><b>Understanding</b></p> <p>We involved our Trade Unions well in advance of our public announcement to ensure a full understanding of the rationale for Project Ark, and of the consequences for our people. This allowed our Trade Unions time to question and challenge with from a position of knowledge and maturity. We communicated with our people thoroughly and regularly through leadership briefings and cascades, and through bulletins, to ensure that everybody understood why Project Ark was the right approach for our business. Through communication, we built a common understanding with all our key stakeholders and avoided disputes or industrial relations difficulties</p> <p><b>Unity</b></p> <p>On the day that our headcount reductions were publicly announced, our senior leaders and our Trade Union leaders jointly hosted a media briefing, and addressed our external stakeholders together. We followed an ongoing programme of regular meetings with our Trade Union colleagues, with weekly meetings to share concerns, and develop joint solutions. We communicated to our employees together, issuing joint briefings to demonstrate that, whilst we did not always agree with each other, we were working together for the best interests of our business and our people.</p> <p><b>Excellence</b></p> <p>We developed best practice processes to help us deal with our people in a professional way:-</p> <ul style="list-style-type: none"> <li>• Aspirations process – using innovative web-based survey technology to deliver 4,500 face to face meetings with employees in just 12 days – immediate access to key data</li> <li>• Selection process – a legally compliant process which ensured retention of key skills and competence, and protected the company from legal challenge against our selection decisions.</li> <li>• Individual consultation process – a process designed to give employees every opportunity to understand their personal situation, and be helped and supported through a difficult time.</li> </ul> <p>Delivery against targets</p> <ul style="list-style-type: none"> <li>• We delivered on the promises we made to the company, securing over 1200 headcount reductions, and £40m fixed cost reductions in year 1.</li> <li>• No disputes, no industrial relations difficulties and no claims against the company</li> </ul> <p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• We worked with external agencies to secure funded support services for employees facing redundancy and retirement: <ul style="list-style-type: none"> <li>• Financial advice</li> <li>• Lifestyle choices</li> <li>• Future employment advice and support</li> <li>• Training and learning opportunities</li> </ul> </li> <li>• We engaged with other key stakeholders in our local areas to secure support for affected employees: <ul style="list-style-type: none"> <li>• MPs and local council</li> <li>• UK Steel Enterprise – to support small business start-ups</li> </ul> </li> <li>• Through this we ensured that we did not over-burden our local communities with individuals in difficulty</li> </ul> <p><b>Integrity</b></p> <ul style="list-style-type: none"> <li>• We committed to try to mitigate the impact of redundancies on our people through the following measures: <ul style="list-style-type: none"> <li>• Supporting volunteers for redundancy and early retirement where possible</li> <li>• Setting up a joint cross-matching committee with our Trade Unions to ensure that at risk individuals were matched up with an appropriate job for their skills and abilities</li> <li>• Exhausting all internal opportunities for redeployment before considering compulsory redundancy</li> <li>• Training and development in new skills (particularly IT) for those unable to be placed in operational areas, to allow them to be redeployed into administrative roles</li> <li>• Clear and transparent redundancy processes that treat people with dignity and respect</li> </ul> </li> <li>• As a result of these measures, we have delivered over 1200 headcount reductions to date with no compulsory redundancies</li> </ul>
<p><b>3. Goals / Targets:</b> <i>(What specific outcomes were required, what, specifically, is to be accomplished, how will this goal be measured or evaluated?)</i></p> <p>To reduce costs as soon as possible through various efficiency measures which included 1500 job reductions. A goal was set for the manpower reductions to be achieved within 12 months from May 2011</p>	<p><b>7. Effects:</b> <i>(What were the outcomes, how will you measure the effectiveness of the countermeasures?)</i></p> <ul style="list-style-type: none"> <li>• As a result of these measures, we have delivered over 1200 headcount reductions to date with no compulsory redundancies and without any Employment Tribunal claims</li> </ul> <p>The Trade Unions believe we have achieved the manpower reductions in a sensible and logical manner</p>
<p><b>4. Analysis:</b> <i>(What were the root causes? How they were arrived at, Did you uncover the most meaningful information to support the analysis?)</i></p> <p>The need to reduce fixed costs by £250M in order to deliver a sustainable business model. This figure was developed by the 'Ark project team' as part of the business review.</p>	<p><b>8. Follow up:</b> <i>(What was done to sustain the improvement and share it, How will you measure the effectiveness of the countermeasures?)</i></p> <p>The model used with in 'Ark' project has now been used to set the UK HR process on the redundancy management</p>