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The discursive dance: the employee co-operation negotiations as an arena for management-by-fear

ABSTRACT

The purpose of this article is to qualitatively describe and critically explain the discursive construction of employee co-operation negotiations in Finland as an arena for management-by-fear. The article consists of a theoretical review, covering the legislative basis of co-operation negotiations and recent research on management-by-fear. The empirical study consists of media texts and company media releases in Finland in 2012-2013. The main conclusions are that there are distinctive features in the co-operation negotiations that enable and enforce the possibility of management-by-fear and thus, destructive leadership. The process, supported by law and very much against the original aim, enhances authoritative leadership, objectification of employees, distortion of information and misleading, and the negative consequences thereof. The process is an employer-invited discursive dance where the employee has to follow through the set steps and in the set rhythm, with the media orchestrating the tune and managing the fear. The study adds a valuable element to the research areas of downsizing, bad management, and the discursive construction of these phenomena.

KEY WORDS: Downsizing, cooperation negotiations, Finland, discourse, critical interpretation, management-by-fear, media

INTRODUCTION

“We are being managed by fear. The employees don’t dare to open their mouths.”
(Employee comment in a union magazine 2013)

Corporate downsizing is a global phenomenon that manifests itself in the termination of employment, either permanently as dismissals or temporarily as lay-offs. This phenomenon is typical of economic recession periods as companies try to increase their economic success in a world of declining markets and smaller profits. In Finland, the dismissals are governed by law, namely “the Act on Co-operation within Undertakings”. The purpose of the Act is to “promote the undertaking’s and its personnel’s interactive co-operation procedures,…. to collectively develop operations of an undertaking and the employees’ opportunities to exercise influence in the decisions made within the undertaking relating to their work, their working conditions and their position in the undertaking” (Act on Co-operation § 1). This Act protectively regulates the actions of the employer in relation to the employees in the process of downsizing. Many people feel, however, that the legislation of co-operation negotiations is outdated and has become a ‘dismissal-law’: the ‘letter of the law’ is complied with but the spirit within has been lost long ago (Eriksson 2006, 137).
Downsizing can be defined as “intentional and planned elimination of jobs and positions” (Lämsä and Takala 2000, 389). As a part and partial synonym of ‘restructuring’, the job losses and outsourcing have become a part of “the natural workings and operation of a free and increasingly global marketplace of jobs and careers” (Hirsch and De Soucey, 2006, 172). The experience of the workers is that the employer plays the ‘co-operation negotiation card’ immediately after small fluctuations in the market, even if the company has good financial results (Järvensivu, 2007).

The primacy of economic factors, rationality, efficiency and (long-term) competitiveness are often used to justify downsizing, thus highlighting the utilitarian cost-benefit values of business (e.g. Lämsä and Takala, 2000; Kujala, 2001). It is “a rational, predictable tool by which the financial performance of a business enterprise can be manipulated” (Lämsä, 2001, 15) and a method for producing and increasing shareholder value. It has at least temporary effects on the stock price of the company and since these effects often are temporary, the process may become repetitious. (Fagiano, 1996).

Vuontisjärvi argues that “if lay-offs are to be seen ‘normal’ management practice, the likeliness for them to be a recurrent practice is implicitly increased” (2013, 309). McKinley et al. (1995) suggest that it has become an institutionalized management practice which is taken for granted and as legitimate by managers (see also Lämsä, 2001). Stein (1997) states that “downsizing is an institutionalized solution … embedded in a worldview that defines human life as nothing more than a globally competitive marketplace”. Stein further questions whether downsizing is evil per se or becomes evil through the way that it is implemented: rationalized by the argumentation of organization’s economic survival. (1997, 232).

The co-operation negotiations do not only affect those employees that are dismissed. The task, workloads and work contents of the remaining are also affected, usually requiring more work more efficiently, since the work force is smaller. In addition, the changes induce competition, conflicts and tensions among the remaining employees. (Järvensivu, 2007, 46; Eriksson et al., 2010.)

The ethics of downsizing have been studied extensively, (e.g. by Orlando, 1999; Lämsä, 2001; van Buren, 2000), especially in the framework of corporate social responsibility, the stakeholder theory and foremost from the employee’s point of view. The ethical aspects concentrate on the justifiability of the downsizing decision and the way the employees and the community are treated (Vuontisjärvi, 2013). Many of these studies are based on analysis of media texts but the present study aims at describing and explaining the procedural (legislation-based) and management aspects of the phenomenon. The recent CSR-related study by Vuontisjärvi (2013) shows how corporations (re)construct questionable (i.e. unethical or socially controversial) business practices in the context of downsizing by using different argumentation strategies. Vaara et al. (2006) have in their study analyzed media texts, the role of the media, and the use of discursive argumentation strategies for purposes of legitimation of industrial restructuring.
The present study approaches the context of downsizing from another angle, not directly connected with the CSR-framework: the viewpoint of management-by-fear. The focus is on describing, explaining and critically interpreting the construction of the co-operation negotiations as a discourse of management-by-fear. Downsizing (and dismissals within) can be defined as a “questionable business undertaking which encompasses many diverse, often conflicting discourses” (Vuontisjärvi, 2013, 293). Our study approaches the discourse of downsizing from the procedural viewpoint: as a process of different voices, represented by and in the texts, participating and affecting the construction of the discourse. The cultural setting of the study is also important: the Finnish culture is highly work-oriented and the identities of people are related to work and work-communities. Therefore, downsizing with the related dismissals and layoffs has potential for management-by-fear. (Parviainen 2008.)

Critical studies aim to increase emancipatory change in institutions by reflecting on present practices and beliefs as well as on communication, the contents of communication and the means used (Alvesson and Willmott, 2012). Critical management research aims to reveal the power and domination related to and implemented in management, and to expose the darker side of leadership. Another aim is to offer a forum for the excluded and alternative voices. (Alvesson and Spicer, 2012; Foster and Wiebe, 2010; Alvesson et al., 2009.) We claim that the legislative basis, the roles of the voices and voicelessness involved, as well as the enhancing effect of the media, provide and evoke possibilities for the negotiations to become an arena for management-by-fear. In addition, we aim to highlight the ritual nature of the negotiations as a discursive dance with set steps and as an opposite to genuine dialogue.

After this short introduction, the article proceeds into the theoretical and contextual frameworks of the study, followed by sections describing the analysis process, the results and the conclusions.

FRAMEWORK OF THE STUDY

This study has two crucial frameworks: 1) the theoretical framework of research on management-by-fear and 2) the contextual framework of (the legislation of) the Finnish co-operation negotiation system. We will address these in the following chapters.

Management-by-fear as a form of bad leadership

Management-by-fear can be defined as abusive (leader-manager) behavior, involving either creating threats or utilizing existing threats in order to get personal and/or organizational gain (Parviainen 2008). We will now elaborate on these three elements: abusive leader/manager behavior, threat and gain.

Although management-by-fear has been associated with the Finnish management tradition (Eriksson, 2006), it shares features with various different approaches and concepts of ‘bad’ leadership, e.g. destructive leadership (Krasikova et al. 2013, Einarsen et al. 2007), petty tyranny (Ashforth 1994, 1997), negative leadership (Schilling 2009), abusive supervision (Tepper 2007) and workplace bullying (Zapf 1999). Destructive leadership can manifest
itself in a) leaders’ pursuit of destructive goals and b) destructive leadership style, which in
turn can be defined as “volitional behavior by a leader that can harm or intends to harm a
leader’s organization and/or followers by … employing a leadership style that involves the
use of harmful methods of influence with followers, regardless of justifications for such
behavior” (Krasikova et al. 2013, 1310). In management-by-fear, this latter manifestation, a
leadership style of harmful methods, is apparent. “Volitional” refers to “the leader’s choice
to pursue a goal or enact behavior that is harmful in nature”, not to the intention of harming
itself (Krasikova et al. 2013, 1314). Destructive leadership behavior can also be defined as
aiming at short term results on the expense of long term consequences or as unethical
leadership. (Illies and Reiter-Palmon, 2008; Aronson, 2001.)

According to Schyns and Schilling (2013), a definition of destructive leadership should
focus on hierarchical mistreatment, i.e. leader-manager behavior towards the followers or
subordinates. Management-by-fear is connected to hierarchical organizations and
asymmetrical power distribution, authoritative leadership and control (Eriksson, 2006).
There are at least three types of management-by-fear: 1) the fear is produced by the
insecurity, change and unpredictability in the working society, 2) the leader–manager
uses fear without intention or acknowledging it, and 3) leadership is intentionally built on
fear and intimidation (Macchiavellism) (Eriksson, 2006, 116.) The intentional building of
fear and intimidation are related despotic and tyrannical leadership. Despotic leadership
manifests itself as authoritarian and inconsiderate behavior: the despotic leader may be
aggressive, difficult to approach and require obedience and compliance (Schilling, 2009).
Tyrannical leadership is a type of destructive leadership and it means the oppressive,
unpredictable and vindictive use of power and authority. The behavior of tyrants is
arbitrary and aims at serving their own interests. Tyrants lack empathy and consideration
for others, apply force to resolve conflicts, and use arbitrary punishments. They use
building distrust, propaganda and scapegoats as methods of leadership. (Einarsen et al.,
2007; Ashforth, 1994; Ashforth, 1997; Tepper, 2007.)

Management-by-fear as abusive behavior arouses the same feelings as workplace bullying
that can consist of verbal threats, isolation and public humiliation. In general, bullying
means being the target of repetitive or continuous negative acts (oppression, threats,
harassment, and social exclusion) performed by others. These acts aim at humiliating,
im intimidating or punishing the victim. They can also take more subtle forms, e.g. giving
meaningless tasks, withholding information, threatening with job loss or deliberately
giving confusing and contradicting orders. Workplace bullying, in turn, can be defined as
a form (or end result) of abusive supervision, performed by leaders and supervisors who
are enabled by their status and power. (Zapf, 1999; Zapf and Einarsen, 2001; Vega and
Comer, 2005; Harvey et al., 2007; Tepper 2007.) Kofman and Senge call fear as the
“ultimate external motivator” (1993, 10).

The second element of management-by-fear is threat. In management-by-fear, threat and
extortion are often intentional and target-oriented, strategically and tactically utilized
methods. Management-by-fear is based on the idea that, at least in the short run, fear and
threat can result in positive outcomes. The creation of threat can involve extortion and
using the termination of employment as the ‘stick’ to enhance work results. The threat
does not need to be verbal: tones and color of voice, tighter control of work and quality control can also be vehicles of threat. Management-by-fear is not, however, necessarily related to aggressive manager behavior but has developed into a collective control instrument: mass dismissals, for instance, can be perceived as effective procedures to manage-by-fear. Management-by-fear is not only a phenomenon within an organization but also an integral part of the political climate and power structures of the society. (Parviainen, 2008; Kofman and Senge 1993.)

The result of abusive leader-manager behavior involving threat is fear, on the individual or collective level. Fear is something learnt, resulting from an experienced punishment and the individual aims at avoiding the punishment again. Elicitors of fear are produced when something negative (trauma, conflict, pain) is experienced during the appearance of the elicitor. (Appelbaum et al., 1998). Fear can change from a feeling into a mode when people are constantly afraid of losing their jobs. It seems that connected to the structural changes of the working life, fear is a considerably more efficient instrument of control than the behavior and appearance of an authoritative and threatening leader. (Parviainen, 2008.) The terminology of change related to co-operation negotiations includes ‘downsizing’ and ‘reengineering’, terms that emphasize the superiority of economic aims and gains. They both also describe ‘change’, which can be and often is a synonym for fear. (Eriksson, 2006, 128.)

As Krasikova et al. (2013) state, destructive leadership “involves harmful actions performed by leaders in the process of leading followers toward certain goals” (2013, 1311). The third element in the definition of management-by-fear is ‘gain’, which here could be defined as successfully reaching the set aims, targets or goals. According to Schilling (2009), negative leadership has three destructive forms that share elements with management-by-fear, are primarily task-oriented (vs. human-oriented) and focus on the achievement of goals: despotic (discussed above), insincere and exploitative leadership. Threat and extortion are elements of insincere and exploitative leadership. Insincere leadership consists of deceitful and dishonest behavior, the distortion or withholding of information, and unfair or unequal treatment of subordinates. In exploitative leadership, the focus is on forcing the subordinates to accomplish tasks by exerting pressure, threatening or scaring and external motivating. (Schilling 2009).

Schyns and Schilling (2013) also emphasize that “the term of destructive leadership should be limited to those aspects which include follower-targeted influence” (2013, 139). Primary harm from destructive methods of influence is caused to the followers but can be for the benefit or the organization, especially in the short run, in the form of higher performance levels and the achievement of organizational goals (Krasikova et al., 2013; Einarsen et al., 2007). Destructive leadership as harmful behavior should not, however, be accepted or overlooked “even when it is justified by greater good and when harm resulting from it is considered minimal” (Krasikova et al. 2013, 1331). Management-by-fear does enable the re-concentration of power from the employees back to the leaders (Parviainen, 2008) and according to the critical perspective, fear can be manipulated by the management (Eriksson, 2006). It is therefore important to consider and study the role of the leader-managers in the creation and utilization of management-by-fear.
In conclusion, threat and power inequalities (position, authoritativeness, control) seem to create the heart of management-by-fear. In addition, the primacy of organizational and/or personal goals versus proximal consequences to followers, seem to describe this type of ‘bad’ leadership. We now proceed to describe the legislative basis of the Finnish co-operation negotiations.

The Finnish negotiation system: legislative basis

The Finnish Act on Co-operation within Undertakings (334/2007) regulates the employer’s mandatory consultation with personnel representatives on a variety of issues, e.g. training plans, principles of recruitment, informing the employees about the financial status of the undertaking, plans of internal communication and plans for advancing equality. The aim of the Act is to increase and support the interactive co-operation of companies (undertakings) and their personnel, to aid the collective developing of the operations, and to enhance the ‘the employees’ opportunities to exercise influence in the decisions made within the undertaking relating to their work, their working conditions and their position in the undertaking “(Act on Cooperation § 1). The Act has, however, a reputation of being the ‘Dismissal Act’ since it stipulates the negotiation system relating to the situations where companies are downsizing their operations and dismissing employees, either permanently or through temporary lay-offs.

The main idea of the law is that before any actions or implementation of plans, “the grounds, objectives, purposes and effects thereof shall be handled in the spirit of co-operation with the representatives of the personnel groups concerned in order to obtain consensus”. In order to do this, the employer shall provide the “representatives of the personnel groups concerned with available information necessary for handling the matter” (Act on Co-operation § 20-21).

Although the Act covers many positive and development-related issues, the most famous chapters are “Changes in business operations affecting the personnel and arrangement of work” (Chapter 6) and especially “Co-operation procedure in reducing the use of personnel” (Chapter 8). The first refers e.g. to closures, transfers and reduction of operations as well as to the use of external labor. The second is applied when “the employer considers measures which may lead to notice of termination, lay-off or reducing a contract of employment to a part-time contract of one or several employees on financial or productive grounds. These provisions shall also apply if the employer intends to otherwise serve notice of termination, lay-off or reduce a contract of employment to a part-time contract of one or several employees on aforesaid grounds”. (Act on Co-operation § 44.) In this study we focus on the application of the negotiation procedure in dismissal and lay-off situations. This negotiation process is described in Figure 1.
Figure 1. The process of co-operation negotiations

For the purposes of the present study and in relation to management-by-fear, there are four interesting features within the process: 1) the role of the employer (management), 2) the role of information and confidentiality, 3) the role of the employees (representativeness) and 4) the concept of “fulfilment of the duty to negotiate” (Act on Cooperation § 51).

First, when either changes in business operations or reducing the use of personnel are concerned, the process is always initiated by the employer, who makes “a written proposal for negotiations in order to commence the co-operation negotiations” (Act on Cooperation § 45). The employer is, naturally, represented by the manager or management of the company. The negotiations aim at reaching a consensus. If, however, such a result is not reached, the employer can decide – on the basis of the initial proposal and after fulfilling its duty to negotiate - on these matters. The process is thus both started and ended by the management.

Secondly and in relation to the role of employer-management, the role and ownership of information is interesting. Information used in the negotiations is also provided by the employer: “he is to provide the representatives of the employees concerned with information, in writing, available to him: 1) on the grounds for the intended measures; 2) initial estimate of the amount of terminations, lay-offs and reduction of contracts of employment into part-time contracts; 3) report of the principles used to determine which employees shall be served notice of termination, laid-off or their contract of employment or reduced to a part-time contract; and 4) time estimate for implementation of the said terminations, lay-offs and introduction of the said part-time contracts” (Act on Cooperation § 47). The employer is not, however, required to disseminate information that would “without prejudice cause significant damage or harm” to the company or its operations (Act on Co-operation § 59).

The other aspect of information is confidentiality. Confidentiality means that that there are certain types of information that the participants of the negotiations cannot disclose. These include information relating to business and trade secrets, non-public information about the employer’s financial position, information relating to the company’s security and
security systems, and information relating to a private person’s personal information (e.g. concerning health or financial situation). The employer-management makes the decision on what is confidential. This confidentiality applies during the entire duration of the participants’ contract of employment, i.e. also after the negotiations are over.

The third interesting element is the role of the employees. The employees have a representative voice in these negotiations: usually shop stewards of different trade unions are the ones commenced to represent the different personnel groups. Membership in a trade union is therefore the gate to both the provided, non-confidential information and the negotiation rooms.

Finally, the duty to negotiate is fulfilled – if the provisions of the Act have been followed - once six weeks have passed since the start of the negotiations (2 weeks in companies with less than 30 employees). During the process the negotiations and on the basis of the information provided by the employer, the aim is to “obtain consensus in the spirit of co-operation” (Act on Co-operation § 20) on matters such as the grounds and effects of the reductions, principles and plans of action relating to the reductions, ways of limiting the number of people affected and alleviating the consequences of the reductions.

As a synthesis of the above frameworks we now aim to describe the possible connection of these four elements and the phenomenon of management-by-fear.

**Possible elements of management-by-fear in the negotiation system**

*Role of the employer vs. authoritative leadership*

Management-by-fear is connected to authoritative leadership in which control plays a central role. Authoritative leadership is widely considered to be negative and to have destructive consequences, usually to the followers. Even though control and management are a part of the organizational steering process, the employees of today are controlling themselves to a growing degree. Fear in workplaces is created, in addition to by the insecurity of markets and the environment of the workplace, also by the tensions created by expert workers’ work ideals and the bad leadership and control measures based on hierarchical power positions. (Eriksson, 2006; Eriksson et al., 2010.) Strong displays of dispositional power – especially against the value-based expectations of subordinates – and rigorous vertical management create fear. Fear can be utilized as an instrument of authoritarian leadership style in order to enforce decisions (and to suppress any resistance). (Luomanen, 2009.)

According to the Act on Co-operation, the process is based on the employer’s “proposal”, i.e. initiative, announcement or order. In a sense and much against the original aim of the Act itself, the announcement by the management to start co-operation negotiations means a comeback of authoritative leadership: regardless of the leadership ideology and management models being practiced, the negotiations are clearly a process controlled by the employer, represented by the management. The employees – instead of being active
subjects in their work – lose this position as subjects and are merely objects of the procedures (Ranki, 2000).

In addition to the start of the negotiations, the final decision is also always made by the employer, represented by the management of the company in question. This enforces the authoritarian aspect of the negotiation process, supports the objectification of the employees and even reinforces the role of information (or lack thereof) and the role of silence, both procedural and deliberate.

**Information and confidentiality vs. lacking information and silence**

On the basis of their position, the leadership of the company has the ability to control the flow of information and the access to information. The lack of information (as well as disinformation) creates fear. Important decisions concerning the employees (dismissals, layoffs) are often announced late and they may also be inappropriately justified. They are made by a highly selected group, defined by ownership and leadership hierarchies. Communication is not open and strategically important issues are hushed and they often come as a surprise for those involved, i.e. the employees. (Eriksson, 2006.) According to law, the management (representing the employer) is ordered to give the necessary information to the negotiating parties. At the same time, however, it is not obliged to give information that would be harmful to the company or its operations.

Kramer (2006) states that in the use of power and intimidation, information is one of the most important instruments. The lack of informing and giving of contradictory information can be intentional with the aim of creating insecurity, paranoia and interpersonal conflicts among the followers (i.e. employees). The active concealing of information may have a deceptive purpose. (Carson, 2001.) False information can – in addition to silence – be used as a deceptive discursive mechanism of control (Gunn, 2011).

Silence is a prevalent feature of the co-operation negotiation process. Silence as a phenomenon related to ethics and work has been studied widely in relation to ‘whistle-blowing’ (recently e.g. Teo and Caspersz, 2011). Silence works as discursive control through limiting information, excluding stakeholders from decision-making, and through building a power imbalance between the included-informed and the excluded-uninformed. The discursive control acts as an instrument of suppression. (Gunn, 2011.)

De Maria defines secrecy as “the deliberate withholding of public interest information (data, reports, surveys etc.)” and silence as “the forced or voluntary withholding of public interest voice (speeches, verbal declarations, oral evidence, conversations etc.)” (2006, 223). He also states that secrecy and silence, as separate phenomena, are properties of formal structures, not the personal prerogatives of managers” and that their synergistically “conserve organizational interest” (2006, 228, 230). The silence within the co-operation negotiation process can, however, be divided into two types: 1) procedural and 2) deliberate. The possibility for the procedural silence is written into legislation but the deliberate silence enables forms of management-by-fear.
Role of the employees vs. subjectivity

In organizational restructuring there is a clear asymmetry also in the access to voice (see also Erkama and Vaara, 2010). The manager-subordinate or employer-employee relationship itself is asymmetrical and therefore personnel can “easily be subject to intimidation and unjust actions that violate their autonomy” (Bowman and West, 2007, 128). The authority related to management, related procedures and techniques can exclude the subordinate-employees from the decisions affecting directly or indirectly their work and life (Alvesson and Willmott, 2012).

The access to voice is related to the role of the employee as an active subject. The employees attend the negotiations through their (union) representatives, who are bound by confidentiality and can often reveal only a part of the information. Usually the formal memos of the meetings are public but not the proceedings themselves. The subjects - employees, experts, individuals - become objects in and of the negotiation process (see also Gunn, 2011). According to Luomanen (2009), subjectivity plays a significant role in fear: subjectivity contains the ability to stay in control and awareness of the scope of action available to the person who faces the fear. The involvement and participation of the employees should be a part of the process and supported by the organization: without involvement the feelings of powerlessness, helplessness and uncertainty increase (Cascio and Wynn, 2004).

Within the negotiations the employee, as a subject of his or her own work and life, becomes an object of the employer’s actions. Even though the negotiation process is intended for the benefit of the workers as an arena of mutual co-operation, the negotiations are always a management-induced process in which the workers have the objectified role. This is a feature of authoritative leadership, which in turn is acknowledged as form of destructive leadership (Schilling, 2009).

Fulfilling the duty to negotiate vs. genuine dialogue

During the negotiating process, the objectification of employees is also manifested in their possibilities to genuinely affect the result of the negotiations. The consultative nature of the procedure creates an image of the possibilities of the employees, through their union representatives, to affect the outcomes or decisions of the procedure. The duty to negotiate does not, however, demand the consideration of the negotiation results if a consensus can or has not been reached. The duty is, instead, fulfilled if the employer follows the protocol described in the Act on Co-operation within the timeframes and deadlines set in it. It has been stated that the outcomes (numbers of dismissals, layoffs, outsourcing and termination of business areas) are already known in the beginning and the negotiation has little – if any – effect on them (Ranki, 2000). Therefore the employees feel that the decision (to downsize) is often done before the negotiations are even started (Vuontisjärvi, 2013). Thus the genuineness of the whole negotiations is questionable.

The role of the media in fear
Media texts form the empirical sample of this study. The role of the media is powerful in the construction of meanings and our understanding of reality. Journalists act as editors of messages, thus deeply involved in the construction of public discourses of different phenomena. Through their linguistic, textual, intertextual, discursive and interdiscursive choices, the writers and editors of media texts decide and create the perspectives and actors (voices) of a specific representation or meaning construction. (e.g. Fairclough, 1995; Vaara et al., 2006.) Media influences “what people think about and how events and issues are packaged and presented” (Altheide 2006, 420). Media can be and is effectively used as an instrument of leadership and management (Parviainen 2008).

In the publishing of dismissal and layoff news, management-by-fear is represented as a form and part of the Finnish management tradition by the media (Eriksson, 2006, 136). The creation of threats within working communities is a method of creating fear. Fear is a socially constructed feeling that can be transmitted easily from one person to another. (Eriksson, 2010, 196.) The contagion or contagiousness of fear, i.e. collective fear, can be consciously used both in political decision-making and in the working life. (Parviainen, 2008.) The role of media is important since it chooses to select and present information in forms that emphasize fear (Altheide 1997). The contagiousness of fear is increased both by the widespread publicity of media news and by the repetition of the dismissal-related topics. According to Altheide, a discourse of fear may be defined as “the pervasive communication, symbolic awareness and expectation that danger and risk are a central feature of the effective environment” (1997, 648).

This discourse of fear is especially practiced by news and the media. Fear is used to provide entertaining news but this way also benefits “agents of social control and promotes distrust among the audience”. (Altheide and Michalowski, 1999, 475-476.) Fear is interesting and in the media, it sells. The role of the media in the mixture of reporting and selling is a focal one. In addition – and as specified below in our description of discourse analysis - media is a producer of ‘reality’, a co-constructor and reproducer of phenomena, by ‘talking the topics into existence’. Even choices of vocabulary are of importance. (Breit 2011.) As Altheide states, “social meanings are constructed through news reports by associating words with certain problems and issues” (2006, 419).

Media produces fear. According to Altheide, fear has its foundation in social interaction and communication and also the target of fear is socially constructed (1997, 660). In the course of time, fear and the topic collapse (Altheide 1997): the construction and reconstruction of the discourse related to fear link the phenomena tightly together. As a producer and reproducer of social reality, media is a central actor in this construction of theme-related fear. (Altheide 1997.)

RESEARCH SETTING

Sample

The sample of the study consists of news articles, related articles and media releases of five large Finnish multi-nationally operating corporations and their companies. These companies represent strong and internationally acknowledged Finnish business areas as
well as the media. The total sample consists of 372 texts, mainly news articles and press releases, amounting to a total of 303 text pages. Table 1 describes the company-specific source details of the sample, time period covered by the sample, and includes the source abbreviations used in the empirical examples.

Table 1. Structure of sample

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The starting point for the sample collection was Helsingin Sanomat, the biggest Finnish newspaper. The sample was gathered via internet, first through the website of Helsingin Sanomat and the news it had linked to its articles concerning the chosen companies. These linked articles are either by Helsingin Sanomat itself (related news in other sections or volumes of the newspaper) or by other newspapers or magazines. This basic sample was further widened by searching the net (google.fi) with the company’s name and co-operation negotiations (e.g. “Sanoma YT” type of search). Usually the first 100-150 finds covered the issue. Different types of personal web sites, blogs and discussion forums are not included in the material, only officially or publicly published texts. General articles related to co-operation negotiations but not to a particular company were, however, included if they turned up during the sample collection process (e.g. articles related to fear and consequences of job loss). Press releases of the analyzed time period were collected from the companies’ websites if they were available.

The sample was organized in company-specific text files, arranged in chronological order. The aim of this decision was to create a basis for the procedural description of the CN process. A list of contents was created for each file, containing the headlines of the articles, in order to more clearly see the role of the media. Each company-specific file was then analyzed separately and thematically grouped by content analysis. The basic themes were the four legislation-based elements (role of the employer, information and confidentiality, the representative voice of the employees, and fulfilling the duty to negotiate) described
above but also other recurrent themes emerged. After the company-based approach the outcomes were thematically combined.

**Discourse and discourse analysis as the method applied**

Discourses can be defined as established language practices that contribute to the construction and production of a phenomenon. A discourse is a textual entity and a part of socio-cultural practices, a constructive element of social reality. The study of discourses aims, in addition to the identification of discourses, at analyzing how social reality is actualized in and through them. The focus is on how something is said and how this affects the construction of the phenomenon. Discourses are ways of describing and making sense from a certain angle and in a specific way. The power of discourses is in their ability to describe the world: through the choices in language use, a certain representation of the issue, related subjects and their relationships and identities is constructed. A discourse thus creates a perspective to the moment, phenomenon and subjects at hand, while at the same time describing the way things are. (Siltaoja and Vehkaperä, 2011; Pietikäinen and Mäntynen, 2009.)

A discourse can be also defined as interrelated texts, their production, dissemination and receiving. Our social reality is produced by textual entities that may consist of various different kinds of texts that belong to a discourse and represent it. The texts become meaningful through and in relation to other texts, i.e. intertextually, and also in relation to the socially constructed world where they are produced. (Phillips and Hardy, 2002.)

Critical discourse analysis aims at studying how the phenomena of power, misuse of power, domination and inequality are produced, maintained and resisted through and in language usage. Critical discourse analysis questions the taken-for-granted understandings and meanings that produce power and institutions. It aims to show how texts and discourses are created and used in the relationships of power, and how the relationship between discourses and power serves the interests of specific groups. One of the aspects in discourses and the power within is the giving or denying of voice. Power is also related to the access to discourses: the larger and more open the access, the more power is available. Critical discourse analysis is interested in social questions and aims at change of both discursive practices and through them, social and cultural change. (Fairclough, 1993; van Dijk, 1993; van Dijk, 2001; Phillips and Hardy, 2002.)

The research questions of this study are: 1) how are the cooperation negotiations constructed as an intertextual discourse, 2) what are roles of the different voices involved, and 3) how can this construction and the roles of the different participants be interpreted in relation to management-by-fear. We define the discourse of the co-operation negotiations as an intertextual construction, consisting of different texts: the Act of Cooperation, the media releases, the media texts informing and commenting on the releases and information in them, as well as the speech and textual production of the individuals affected by the negotiation process. In this discourse there are multiple voices: the voice of the law, the voice of the employer (management / company), the voice of the media, and the voice of the employees. These voices and texts are not in unison but it is exactly the contradictions and tensions in and between them that are in the focus of our
research. The textual and intertextual process of discourse construction, the interpretation of the construction and the interpretation of the produced representations are the focus of our research.

In this study we approach discourse analysis as a deepening process from the textual level through interpretation into critical analysis and interpretation. The three-phased approach (Pynnönen, 2013) allows us to analyze the textual and linguistic choices, the way different representations and meanings are created by these choices, and to critically interpret the representations within the framework of the co-operation negotiations as a possible arena for management-by-fear. Although our own context as researchers is of a critical stance, we interpret the discourse in its local context (as a discursive dance between the management and the employee, based on the legislative framework) and in its larger societal context, as a prevailing and therefore consequential phenomenon of the Finnish working life. Our analysis aims at producing a critical description of the co-operation phenomenon, not as a taken-for-granted and acceptable management procedure but as a legislatively supported, ethically questionable and media-orchestrated possibility for the implementation of bad management.

CONSTRUCTION AND INTERPRETATION OF THE DISCOURSE

The results of the analysis are presented in the following sections and arranged according to the basic themes of the content analysis: 1) the role of the employer, 2) information and confidentiality, 3) the representative voice of the employees, and 4) fulfilling the duty to negotiate. Figure 2 summarizes the analysis process and the results.
(NOTE! For reasons of saving space and avoiding excessive repetition, the abbreviation “CN” is used in the examples for “co-operation negotiations”. In addition, italics are used by the authors for emphasis.)

**The dance invitation: role of employer – management**

In many places the invitation to CN is expected with feelings of fear. (U 19/2012)

**The employer-initiated process**

According to Finnish legislation, the co-operation negotiations are a management-initiated procedure when it concerns dismissals and lay-offs. The decisions both to start the negotiations as well as their final result are employer-induced. This creates a representation of authoritative leadership.

The CN law is in practice a dismissal law that grants the employer one-sided decision making rights. With this law it is impossible to guarantee the employee any rights. (M 23.8.2013)

In this employer-induced process, the employees feel that they are being pressured, oppressed and even extorted by the management, and that they have to adjust and do more in order to save their jobs (and themselves) during the negotiations.

Because Finnair cannot reach an agreement on sufficient and permanent wage reductions and on cuts in working conditions, it pressures its employees and tries to find savings by transferring work bit-by-bit to its subcontractors and far from its own employees. (HS 24.9.2012)

Since the decision to start the negotiations is at the employer’s will, they can be started repetitively, enhancing insecurity and creating a more permanent atmosphere of fear.
“With constant CN and the threat of transferring operations abroad aims in my opinion at oppressing the workers and getting cheap contracts.” (N 19.8.2013, union representative)

“The whole staff is constantly on tiptoes since they don’t know where the next reductions will happen.” (HS 22.10.2013, union representative)

In short, the role of management is primary within the negotiation process and may induce authoritarian leadership practices. Authoritative leadership entails the loss of autonomy of the employees and may create feelings of being ‘at the mercy’ of the management. These feelings increase insecurity and losing position as subjects, which are components of fear.

The numbers and reasons

The stock price of the company rose by a percent after the dismissal news… According to… the company should have had patience instead of a short-term fix of its market value. (HS 5.8.2012)

The commencement of the cooperation negotiations consists of the management information concerning the need to reduce staff or working hours, the estimated numbers of reduction, and the operational coverage of the negotiations (business areas, places of business, personnel groups). The employer should give the available initial estimate of the reductions (Act on Co-operation). There is clearly a tendency to overestimate – as enabled by the law – the number of people affected by the negotiations. In addition, the initial operational range of the negotiations is usually larger than the result, i.e. more business areas or even the whole personnel are included.

The negotiations concern almost 4.100 Finnish Metso-workers within the paper industry. The estimated need for reduction is max 630 workers. According to plans this includes the outsourcing of 150 jobs. (HS 18.9.2012)

CN applies to all personnel at Sanoma Magazines Finland and SanomaTekniikkajulkaisut. The estimated reduction of personnel is maximum 95 people out of the 811 people within range of the negotiations. (MR 4.9.2012)

The announced numbers and the end results of the negotiations have been statistically followed up by SAK (the Executive Board of the Central Organisation of Finnish Trade Unions, www.sak.fi/aineistot/tilastot/yt-ja-irtisanomistilastot ) and these statistics clearly show this tendency to overestimate. Whether this is a technique of negotiation (as in bargaining and bluffing, see Provis, 2000), remains unclear. The overrated or even exaggerated estimates do, however, put pressure on and create insecurity to a larger portion of the employees than necessary.

Another aspect of numbers is related to the reasons for the CN process and the dismissals. Usually the management gives economical or related grounds as the basis of their decision to start the dismissal process. According to Stein, “despite the screen of rationality, of
dispassionate objectivity, of necessity, and of computerized impersonality, the selection of who is to be kept and who is to be fired is always personal choice and never mere number” (1997, 244).

Vuontisjärvi (2013) identifies a range of discursive argumentation techniques which are used in corporations to argue and construct a possibly questionable action as a part of normal and routine management, even as inevitable and unavoidable. These techniques include rationalization, normalization, inevitability and emotional/moral distancing. They often are related with basic business values and expectations of profit, effectiveness, competitiveness and growth.

The difficulties of the mobile phone company Nokia are so big that the reorganization of business is inevitable. (HS 1.7.2013)

“Renewal is unavoidable. It is important for us to remain financially profitable. It is the basic precondition for independent journalism.” (HS 18.9.2012, management)

Finnair has to start CN because the need for cabin crew decreases considerably in the future transfer of business to Flybe. (MR 24.9.2012)

Rationalization is a discursive strategy which builds on reasoning a course of action or operation with objectives, effectiveness and explanations of appropriateness: elements of the business context and utilitarian thinking (Siltaoja, 2009; Vaara et al., 2006). Even though the financial results are good at present, profitable operations in the future are used to legitimate downsizing and layoffs. In addition, the viewpoint of corporate logic or the state of an individual company is chosen as reasons according to the managerial needs of justification. (Erkama and Vaara, 2010; Vuontisjärvi, 2013.)

“The situation in the market is insecure and we prepare for a period of slow economic growth.” (MR 16.8.2012, management)

“We have to, however, ensure our competitiveness and leading position in the rapidly changing business environment.” (HS 18.9.2012, management)

The planned procedures are a part of a 140 million euro savings program that aims at returning competitiveness and vitality of Finnair. (MR 24.9.2012)

The stress of job loss may increase if the employee is not provided with a rationale, a legitimate explanation, for the dismissal. This explanation should include the specific criteria used in the decision-making. (Eby and Buch, 1998.) In this discourse these rationales seem to be replaced by the impersonal and utilitarian rationalizations, with actions contradicting the official financial state of the company.
“It seems that the sulfur directive is now being used as a pretext. Nobody knows yet the costs of the directive but it is already used as an excuse for carrying out heavy personnel cuts.” (U 27.9.2012, union representative)

At the same time as the jobs of many journalists are at stake, the media houses pay considerable dividend to their owners. (U 1/2012)

NSN starts CN in order to reduce 150 jobs in Finland. The information is surprising since recently NSN informed that it is hiring hundreds of workers in Finland. (M 29.11.2013)

“It is incomprehensible that Finnair still continues these cuts even though the financial results have already turned positive” (N 14.3.2013, union representative)

In short, the role of the management is to estimate the impact of and justify the decisions to start the co-operation negotiation process. The tendencies to overestimate the extent and coverage of the negotiations, as well as rationalizations of different sorts, increase the insecurity and fear of the employees.

The communicative role of management in creating threat and enhancing fear
Managers and leaders, especially CEO’s, of the analyzed companies participate communicatively in enhancing the atmosphere of fear. The construction of fear is created by expressions and word choice, increasing insecurity and threat.

“The effects on personnel will be substantial and apply to hundreds of people”, says the CEO. (HS 1.11.2012, management)

The changes in Finland are going to continue. “They may have effects on personnel”, says the CEO of the corporation. He is not telling if this means dismissals also in other parts (of the corporation). “The media business is in such a strong turmoil that one cannot be sure about anything”. (HS 1.11.2013, management)

“We will get back to what will happen … in the autumn after the plans are more specific and when we know what we are going to do. …. the CN announced now will hardly remain the only ones.” (M 16.8.2012, management)

Threat and fear can also be created by not saying something, i.e. by silence: what seems as deliberate silence and unwillingness to give information, possibly interpretable as misleading.

“At present there is nothing more to announce”. (U 16/2012, management)

He does not want to comment on how big the personnel costs are to be and which operations are concerned. He also will not reveal the changes in the product selection… (M 16.8.2012, management)
Helsingin Sanomat is still making profit but the CEO is not telling how much. He also will not say the sum that Helsingin Sanomat has to save or make profit. (HS 31.10.2013, management)

… declines to comment on the change before the quarterly report. … The corporations’ shop stewards have been summoned for the day after the release of the report. … (U 12/2013, management)

The representatives of Metso refused to shed light on the saving plans concerning… (N 26.10.2013)

As a conclusion to the role of the employer, there are several discursive elements and factors present in the CN process that may be interpreted as management-by-fear. The threat and fear are results of overestimates, rationalizations and communicative measures of the management, the initiator of the process.

Information and confidentiality: disinformation, missing information, misleading and the silence
… the company should give as much information as it can and as soon as possible. The most excruciating time is the six week period of insecurity that starts from the beginning of the CN. (HS 19.9.2013, ex-union representative)

According to the law, the negotiations of big companies last at least six weeks. During this time the employer and the employee representatives carry out the negotiations. Usually there is very little, if any, specific information available or released to the employees during the process.

“At this stage it is impossible to say anything about the result of the negotiations.” (NV 5.8.2013, management)

“I got the feeling that this is just killing time and that the decisions come only at the last minute. For the personnel the waiting is tormenting” … (U 16.8.2013, union representative)

According to the trade union, Finnair did not give the representatives enough information or economical grounds for the reasons causing termination of the (service) operations. (HS 5.6.2012)

The process can also be carried out in complete silence and the representatives denied the possibility to inform their ‘clients’ of the negotiations. “Confidentiality” is therefore interpreted as silence.

In the beginning of CN in July, Metso informed the shop stewards that all information concerning the negotiations is confidential. The shop stewards were not to tell information concerning the negotiations even to the employees they represent or to their trade unions. Only the finally decided results were to be released…. During the last CN meeting the representative of the employer reprimanded the shop stewards… According to
the employer they had broken the trust and acted against the good informing policy of the employer. “Between the lines we could read that in the next CN the employer will tell even less about its intentions. It was *not straightforward threatening but we were lead to understand that the shop stewards had seriously disturbed the proceeding of the negotiations” … (M 8.10.2013, union representative)

Secrecy, information and the power over information play a central role within the process of negotiating. According to the law, the employer should give the information available to him concerning the grounds for the intended measures and the principles used to determine which employees are given notice (Act on Cooperation). Information is in the hands of management and sometimes ends as disinformation to the other party.

According to the secret documents… the new owners are to keep the factory running for at least two years. (HS 1.7.2013)

… sales of the factories has been *prepared since last autumn* (for a year). (HS 8.8.2013)

… it is *impossible to believe that the forthcoming dismissals were not known when* Nokia transferred its operations to a subcontractor. “There hardly is less work to be done. They just want to change the workers” (U 24.4.2013, union representative)

Disinformation is an element of misleading. There is a fine line between misleading and lying (Takala and Urpilainen, 1999), the main difference of the deception generally been drawn between actually uttering (verbally expressing) a false statement and leading somebody to believe something in other ways, e.g. withholding or concealing information (e.g. Carson, 2001; Provis, 2000).

Disinformation can be very subtle. Subtle methods of euphemisms and metaphors are used in the discourse.

To adjust, to intensify, to sharpen …. this is how companies sugar their CN announcements… In addition to adjusting, many other euphemisms are used. Nokia is sharpening its strategy was the headline on June 14 as Nokia slammed the biggest CN bomb on the table. In a subordinate clause of the release’s tenth paragraph the company informs that it is reducing 3700 employees in Finland. (M 15.11.2012)

Instead of temporary lay-offs Finnair offered its cabin crew unpaid days off… (HS 25.9.2012)

Euphemisms and metaphors are usually used to shield and distance the subjects (language users) from the object of speech, e.g. for the sake of protecting oneself emotionally or against material consequences of an action. For example “restructuring” creates an image of technical and objective architecting, not involving human elements or suffering due to loss of jobs and consequences thereof. (Stein, 1997; Lucas and Fyke, 2014.)
One method of veiling the hard facts of dismissals is virtual voluntariness. This is also misleading, both towards the employees and towards the public.

According to the press release NSN is going to offer a support package for 400 voluntary leavers. The voluntary leaver’s package is a financial support package for those who voluntarily want to leave NSN… These contracts are fully voluntary to the employees… “From the employer’s side nobody will be dismissed in these co-operation negotiations”. He does not want to estimate whether dismissals are to be used later to reduce jobs if 400 volunteers are not found. (HS 13.9.2012, management)

All measures that restrict or prevent the acquisition of information can add to insecurity and create threat, which in turn increases fear. From the point of management-by-fear, some of the above measures seem deliberate. The silence, disinformation, secrecy and misleading all are related to the above analyzed role of the employer and enhanced efficiently by the media.

The dance partner: role of the employee-subordinate

The lousiest of all is that the employees themselves have been excluded from the planning of the decisions relating to themselves. (U 19/2012)

The Act on Co-operation states that the employer (management) carries out the negotiation procedure with the representatives of personnel groups. This usually means the shop stewards of different trade unions. Through this practice, the employee or individual gets the possibility of representative voice in the negotiations, and there is no direct way to participate in the planning and decision-making of issues relating to the individual’s work, working conditions or future within the company.

Representative voice: losing subject position

Through the representative voice, the individual is in danger of becoming an object instead of a subject of his or her own employment, work and working conditions. Fear of losing one’s subject position is a part of management-by-fear in the negotiation process. There is also the fear of the representatives’ skill and power to negotiate as well as of the effect of their role.

The employees were left with very little space in negotiations… Some of the issues of the new organization seemed to be very far prepared in advance… (U 19/2012)

The personnel of Metso heard about the considerable personnel reductions fifteen minutes before the media did… (N 5.8.2013)

The fear of losing one’s job leads to the stretching of working time and effort. It may also have effects on the working atmosphere. Employees are trying to save their individual positions, jobs and livelihoods by trying more. This might be interpreted as extortion implemented by the employer. With the tendency for the negotiations to end in smaller numbers of terminations than estimated, this might act as a successful measure to increase
productivity from the employer’s point of view: if you add the smaller numbers and the
bigger efforts together, management-by-fear may produce positive results from the
company’s point of view, at least in the short run.

“Joy and laughter have disappeared, the sense of community is crumbling, and
people are stalking each other and suspect everyone of taking their job.” (U 2/2012,
union representative)

“People are working overtime… They are desperately trying to secure their positions
in the working life by extending the working days in the evenings, at night and
during weekends. No mention of them being duly paid for this - or that they would
have the courage to ask for these justified earnings.” (U 14/2012)

Another point is that the negotiations take place between the employer and trade union
representatives. For the non-members there is even less information available. Their fear of
being left out of the representation is another fear factor present in the process.

Virtual choices: apparent voluntariness

Voluntariness is a factor used like a euphemism by the management to discursively hide
the actual issues of dismissal and outsourcing. The voluntariness tends to leave very little
actual space for the employee as a subject to choose or decide.

…about 30 people have been offered a transfer from Järvenpää to Jyväskylä. They
have to decide fast, next Monday at the latest. “An important decision has to be
made in a really short time” … (N 18.9.2013)

“We don’t want to endanger the quality of customer service by transferring
personnel to Flybe against their will. Therefore we suggest that the transfer is based
on voluntariness”… “In case there are very few willing to transfer to Flybe, we have
to start CN (of 120) to adjust the amount of personnel…” Finnair will present …
cabin crew members the possibility of using their legal right to transfer to Flybe …
and thus to secure the continuing of their employment. (MR 18.6.2012)

The publicly guilty party

One method for the employees to get voice is job action (strikes, walk-outs), started by the
unions as a measure against the employer during - or as a countermeasure towards the
result of - the negotiations. These are skillfully utilized by the employers for initiating
blame, guilt and using the employees as scapegoats for the consequences of the co-
operation negotiations. The publicity of these comments in the media may, in addition to
needless feelings of shame and guilt, create fear of angry customers and unfair feedback
from the public.

“We understand well the kind of emotions caused by our plans to buy motor and
device services from outside. We appeal to our workers that they would return to
work as soon as possible... We apologize for the possible inconvenience caused by this to our customers...” (MR 11.4.2012, management)

The strike of Finnair technics causes delays and possibly also cancellations of flights this morning. ... Many flights have been delayed. ...the strike hits at a bad time since the school holidays have just started.... (HS 5.6.2012)

“I missed a meeting. That was the main reason for this trip”… The flight to Peking is cancelled because the employees of Finnair technics started a strike on Tuesday. (HS 6.6.2012, customer)

Not only do the employees get blamed for causing dissatisfaction to the customers: they can also be accused of threatening the future of their colleagues, the Finns in general and the good reputation of Finland.

“It would be irresponsible not to react to the changed situation on the market. Through these savings we safeguard the jobs of other corporate workers.” (HS 6.8.2013, management)

Finnair has discussed the sale of jobs with the buyer candidate. By selling the operations the company could secure at least a part of the 80 jobs that are to be reduced. “Hopefully the strike does not affect the willingness to buy these services”… (HS 5.6.2012, management)

“We are concerned about the future of Finnair: that the business could create jobs, pay back the investments and offer Finns excellent flight connections”… (MR 14.8.2013, management)

“All these labor actions deteriorate Finland’s reputation and threaten to transfer freight elsewhere”… (HS 15.11.2013, management)

In conclusion, the role of the employee as a negotiator is limited. The representative voice limits the position of the subject into one of an object. The possibilities to choose are often misleading and virtual and, in addition, the employee may become the guilty party of the process in public. All these factors add to the helplessness and support the fear factor of the co-operation negotiations process. Stein compares the belief of the non-dismissed to the Nazi concentration camps (“Arbeit macht frei”): the people, who were not killed, believed – and were led to believe – that by working hard and bringing out their special skills they would survive (1997, 244). Even though the comparison is rather extreme, there might be an analogy to the process of co-operation negotiations: the rest of the employees will try to escape by working harder, being more productive and not resisting.

‘Negotiating’ as ‘fulfilling the duty’

The verb “to negotiate” means 1)“to deal or bargain with another or others, as in the preparation of a treaty or in preliminaries to a business deal” and 2) “to arrange for or bring about by discussion and settlement of terms” (Webster’s Encyclopedic Unabridged
Dictionary). The first meaning refers to bargaining and exchange, the second to a discussion and a consensus. In the case of the co-operation negotiations, both of these meanings are present: bargaining and settling of terms. It seems, however, that the result is sometimes known before the process even starts. The negotiation process seems to be a discursive dance of the companies and of the media, with management and media orchestrating the tune and tempo.

Why negotiate if the result was already completely decided? (M 2.2.2013)

It was difficult that you could not tell your close colleague even though you knew that he would lose his job soon. (HS 19.9.2013, ex-union representative)

Some of the examples suggest that the co-operation negotiations are about dismissing certain individuals determined beforehand. The process therefore can act as a convenient way of getting rid of the unwanted.

The negotiations have lately had a straightforward aim: experience is being dismissed. This creates savings in wages since experience has its price. ... Instead of admitting to age racism and cost saving the negotiations and layoffs are rationalized by production-related causes: reorganization of work and changes in methods. (U 19/2012)

This time NSN is not offering a voluntary leaver’s package but wants to choose the leavers itself. (NV 14.6.2013)

“We are not yet able to say how many of the Espoo-unit workers are within the dismissal group. We are identifying the persons first” (HS 14.6.2013, management)

Creating a permanent state of emergency

The ink on the previous notices of dismissal has hardly dried. (U 16.8.2013)

The law allows the management of a company to repeatedly commence the negotiations and use this procedure well in advance as a protective measure for future insecurities. The negotiations may turn into a constant process through which the company adjusts its personnel costs in relation to e.g. market changes. The repetitive nature of the negotiations enhances, again, threat and fear. The following example from Finnair demonstrates the repetition.

Table 2. Co-operation negotiations at Finnair

<table>
<thead>
<tr>
<th>Start of CN</th>
<th>Business area</th>
<th>Jobs to be reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2012:</td>
<td>Engine and device services</td>
<td>280</td>
</tr>
<tr>
<td>June 2012:</td>
<td>Stewards and air hostesses</td>
<td>120</td>
</tr>
<tr>
<td>September 2012:</td>
<td>Cabin crew</td>
<td>100</td>
</tr>
<tr>
<td>November 2012:</td>
<td>Airport customer service</td>
<td>55</td>
</tr>
<tr>
<td>February 2013:</td>
<td>Financial management</td>
<td>25</td>
</tr>
</tbody>
</table>
According to Stein, downsizing is “about endless cycles of sacrifice to keep ‘the organization’ alive, cleansed, profitable and competitive” (1997, 245). The repetitive process of co-operation negotiations does, however, create a permanent state of emergency, legitimating the crisis measures, decisions and decision-making of management (see also Kerr, 2000).

…” the constant cut-offs in this business are like a sword hanging over one’s head” (U 20/2012, union representative)

An atmosphere of insecurity and fear has spread across the work places, and this atmosphere is accentuated by repetitious CN and the constant threat of them. (U 7/2013)

Constant structural change seems to become the strategic mode of operation and dismissals and threatening with dismissals the cornerstone of personnel policy. (M 23.8.2013)

Fear and the state of crisis are connected. According to Eriksson et al., studies have shown that by applying the state of crisis, people are willing to accept even harsh decisions seen as a necessary remedy for the acute situation (2010, 998). Kofman and Senge suggest that the crisis and management-by-fear create a “self-fulfilling prophesy” (1993, 10) : the short-term results provide the managers with vindication to create a new crisis, that the employees already have learned to expect.

“I am prepared for the possibility that it might be my turn now” (U 19/2012, union representative)

Evading responsibility: outsourcing the negotiations and the facelessness of management

Corporate social responsibility is a widely studied issue. Within this study, a special form of evading responsibility emerges: the outsourcing of the negotiations. By delaying and outsourcing the procedure to subcontractors and consultants, the company shifts the negative stain from its own image. This seems like a case-specific feature of Nokia.

“This has gone just as I feared a year ago. Nokia outsourced the dismissals of over a thousand workers to Accenture, had them to do the dirty work. That is the famous Nokia social responsibility for you, you can of course keep up the corporate image this way also” … “Anyone can draw the conclusion of the name of the game from the very beginning…” (U 1.11.2012, union representative)

Nokia is being interpreted as having outsourced its large job reductions to a consulting company. (HS 1.11.2012)
“Nokia’s head of CSR assured us in his refined speech that this is not a question of transferring the dirty work to Accenture. What happened is what I feared would happen.” (HS 1.11.2012, union representative)

Another interesting point is that the managers conceal their own position as subjects within the process and in the discourse. The facelessness of the company name, even brand, is efficiently utilized in the media when reporting on dismissals. This is a method that reinforces the “dispelling of responsibility” (Lämsä, 2001, 44).

Metso, dismissing even hundreds of workers in Finland, informed… that the board of directors is suggesting an extra dividend of 0.50 euro per share. The extra dividend is explained by the stable economic status of the company. (HS 18.9.2012)

Metso also warns about possible close-downs of business units. (NV 5.8.2013)

According to Rautaruukki, more labor cuts are to follow. (N 27.9.2012)

To summarize the theme “fulfilling the duty to negotiate” one could state that there are several elements creating insecurity and fear in the process of co-operation negotiations. The constant repetition of the process creates a permanent state of emergency, legitimizing crisis procedures. The negotiations are more a bargaining ritual than a genuine dialogue. As in the dictionary meanings of the word “to negotiate”, the decision seems to have already been made and the negotiating process is just a question of bargaining and settling the terms of it.

The dance orchestra: fear created and managed by the media

The media, represented in this study by newspaper texts and articles, has a specific role and aim in the fear factor relating to the co-operation negotiations. Naturally the number of sold issues is the primary target and therefore the headlines and scoops are intended to raise interest and increase sales. Threat is an actively used word, thus constructing insecurity and fear.

Selling Nokia is a threat to its workers (HS 3.9.2013)

Nokia workers afraid that the outsourcing will end up in dismissals (HS 17.1.2013)

Threat of lay-offs in Kankaanpää (N 27.9.2012)

Metaphors of death are frequently used in the media to describe the effect of the negotiations and the resulting dismissals.

The scythe (Reaper) swung at Sanoma News. (M 8.10.2012)

… is at the end of its road (N 31.10.2013)

Candles lit for the memory of…factory (HS 6.8.2012)
The destiny bell tolled again (HS 18.9.2012)

Stein compared the downsizing and dismissals of corporations to the Holocaust, the symbolic death and sacrifice of the dismissed for the survival of the organization. According to his study, the images, words, metaphors and feelings of people are not inconsequential and should be carefully listened to (Stein, 1997, 230). Although keenly connected to the American culture, the same phenomenon and analogy to death can be recognized in the present (more market-oriented) Finnish business culture.

The media also seems to intensify the role of the employer as a user of authoritative leadership measures.

Here is your new contract. Sign or you are out of work. (U 3/2012)

Finnair gave two alternatives: CN or Flybe. (N 18.6.2012)

The media participates also in highlighting the possible issues of unethical leadership related to the process of negotiations.

Finnair tries to pressure its workers into concessions (HS 24.9.2012)

Sanoma recruits soon after CN. (U 22/2012)

Metso is making its workers pay the dividends. (HS 18.9.2012)

In this process, the media with its extensive coverage enables to create the constant state of emergency, aiding at the management-by-fear through management-of-fear.

Hundreds of Nokia-outsourced again threatened by dismissal (HS 23.4.)

Another CN in Rautaruukki (N 27.9.2012)

Finnair starts another CN – 300 jobs threatened (HS 14.3.2013)

The media decides the way news is presented and participates actively in the construction of the co-operation negotiation discourse. The textual choices made within the articles are meaningful in the sense-making of the negotiation process. The fear factor is enhanced by the role of the media in orchestrating the size and style of publicity of the negotiations in different organizations. On the basis of this sample, the media implements management-of-fear by increasing the threat, fear and distress of the involved employees, their families and the community as a whole.

The purpose of this study has been to analyze the construction of the co-operation negotiations discourse and the voices within. In addition, the aim has been to interpret the process of this construction as well as the consequences thereof. These aims have been
discussed above. We further elaborate on the answer to final research question – how can this construction and the roles of the different participants be interpreted in relation to management-by-fear – in the following chapter of Conclusions.

CONCLUSIONS

“A phenomenon such as downsizing ought not to be taken as given but rather, its existence and the underlying assumptions should be under continuous critical reflection, so that such phenomena do not come to represent the habitual mode of thinking and acting in business” (Länsä, 2001, 26).

There are elements within the employee co-operation negotiations that enable forms of ‘bad’ management, especially management-by-fear. The role of the leaders and managers is primary in the process: as the initiator, planner, organizer, decision-maker and executor of the decisions. The process is thus very authoritative, employer-centered and management-controlled. During the process there are few methods of observing this control due to the silence, the claim of confidentiality, and the restricted information. Any unethical or bad leadership behavior may go undetected.

![Diagram](image-url)
Figure 3 describes the analysis, interpretations and conclusions of this study. In the critical interpretation of the discourse, the key constructive elements of the co-operation negotiations process are interpreted as phenomena having consequences that relate to different types of bad leadership. These manifestations together comprise management-by-fear: abusive leader-manager behavior, involving either creating threats or utilizing existing threats in order to get personal and/or organizational gain (Parviainen 2008).

Tyrannical leadership manifests itself as oppressive and unpredictable use of power and arbitrary behavior (e.g. Einarsen et al., 2007): in the co-operation negotiations, the employees feel both oppressed and insecure, being at the will of the management. Some of the reasons given for the dismissals seem to be arbitrary, used as rationalizations, ‘for the good of the organization’. In addition, it seems uncertain whether the process really is a negotiation or a ritual where the name lists of the ‘punished-to-be’ are already known before the process starts. Exploitative leadership is based on threatening (Schilling 2009) and as shown by the results of the analysis, threat is an active measure in the discourse of the co-operation negotiations. The question of exploitation is also present in the performance pressures of the non-dismissed during and after the negotiations.  

Insincere leadership, another form of destructive leadership (Schilling, 2009), is based on withholding or distorting information as well as deceiving and dishonesty. The active concealing of information may have a deceptive intent (Carson, 2001). The same applies for false information and silence as discursive control mechanism (Gunn, 2011). As we have shown in the analysis, the information as well as withholding information (and even misleading) play an important role in the CN process and the discursive construction of management-by-fear.

Workplace bullying manifests itself e.g. as threatening with job loss, with the behavior being continuous or repetitive (e.g. Zapf and Einarsen, 2001). Even though it is symptomatic to the supervisor-subordinate relationship, it applies here collectively in creating the constant state of emergency, aiming at apparently short term positive effects from the organization’s point of view (e.g. Ferris et al., 2007). Authoritative leadership is usually negative from the employee’s point of view and it is also a feature of management-by-fear. The whole negotiating process can be interpreted as a presentation of the employer’s authoritative measures.

The discourse of the co-operation negotiations presents and represents management-by-fear as a possible and even probable phenomenon. It goes without saying the unethical leadership is another term for it, especially considering the means used. According to the study of executive perceptions by Eisenbeiss and Brodbeck, dishonest and unfair personal conduct, egocentric decision making orientation and manipulative management style are core components of unethical leadership. Unethical leadership also involves lack of enduring values, making arbitrary decisions, focusing on the short-term perspective, lack of empathy and responsibility, and choosing actions on the basis of own interests (Eisenbeiss and Brodbeck, 2014).
Within the field of research relating to downsizing, most studies focus on the ends and consequences of the process while the present study aims at analyzing the means and the process itself. According to Eby and Buch (1998), there are three basic criteria which are necessary in an ethical perspective to dismissal: advance warning of the job loss, open communication from the management about the reasons for dismissal, and institutionalized support services for the dismissed. The advance warning is covered by the legislation and in Finland different support services are available. The lack of open communication about several elements in the dismissal process is, however, evident on the basis of this study.

The described elements of management-by-fear are actively produced and reproduced by the media, thus participating in the construction and reconstruction of a discourse of fear for its own purposes. The management-by-fear is thus complemented with management-of-fear produced by the media.

According to Vuontisjärvi (2013), the patterns of argumentation (e.g. rationalization) work to sustain certain discourses of downsizing and these discourses have become largely institutionalized in business language. Thus they describe what is seen as normal and acceptable in this context. However, bad management is not an acceptable phenomenon, not even when enabled or supported by the ‘letter of the law’. Prioritizing the letter of the law to the spirit of the law can lead to rules-based ethics, violating justice and fairness (Bowman and West, 2007).

In this critical interpretation of the construction and discourse of the co-operation negotiations as an arena for management-by-fear, we make the four main conclusions. First, the role of the employer turns into authoritative management that includes measures such as control of the process and decision-making, choice of terms of negotiation (numbers and rationalizations), and the communicative role of management in creating threat and fear. Secondly, information and confidentiality become synonyms for silence, missing information, disinformation and misleading, that are interrelated and strongly connected to the role of the employer, represented by the management. Thirdly, the representative voice of the employees means losing position as subjects and voice: in addition to being the practically silent dance partner of the negotiations, the employee becomes an object. She/he is offered apparently voluntary choices and even blamed for the consequences of the negotiations. Finally, the term ‘negotiation’ translates as ‘fulfilling the duty’. The process reminds us of a bargaining ritual during which it is possible for the employer-management to evade responsibility. The process of co-operation negotiations constructs a discourse of management-by-fear. In addition, the analysis shows a tendency to constantly repeat the negotiations which can be considered as creating a permanent state of emergency, legitimizing crisis measures, such as repetitious dismissals.

The aim of this study has been to describe the construction of the co-operation negotiation discourse, the voices participating in this construction, and to interpret both the construction and the consequences of it. We as authors hope that this article will raise a discussion of the necessity, value and purpose of the ‘negotiating process’ in its present state. In addition, we want to make a contribution to the improvement of working life
procedures in contemporary Finland: by recognizing possibilities of and arenas for bad leadership we can start avoiding them.

LIMITATIONS AND PRACTICAL IMPLICATIONS

This study has several limitations. The very starting point of this study and our presupposition is critical towards downsizing and dismissals in general and especially as a taken-for-granted management practice. The study is also critical towards the cooperation negotiations as an offering of genuine, dialogical negotiating process aiming at a true consensus of the parties involved. Both of these positions influence our interpretation of the results. We do acknowledge the strain and limitations of the management in downsizing and restructuring situations but wish to shed light on the utilized methods and their effects.

Another limitation is the size and content of the sample. Although the sample of the study is numerically and page-wise large, and the companies included large multinationals, it is only a sample and presents a snapshot of the negotiating processes of the companies involved. The media texts, although company press releases are included and the texts come from different newspapers, construct the world in the framework of their own business targets and ideals. These targets naturally affect the texts presented in the media.

The setting of the study Finnish: the analyzed texts are in Finnish and from a Finnish cultural framework. Though something always gets lost in translation, the texts have been translated as closely as possible, without losing the nuances relevant to this study. Although the basic legislative framework is Finnish and the results are interpreted against this specific framework, the phenomenon – downsizing, dismissals, bad management and role of the media – are universal and therefore of interest also in other countries. Also, the work-oriented cultural climate in Finland has its effect in the interpretation of the study as well as on the role of work-related insecurity and fear.

There is also the limitation produced by the extent of interpretation. The analysis is (critically) interpretative and another author might come to other conclusions. The sample, however, is public and available for the reader, at least for a fee of using internet access.

The main limitation of the study is that the texts do not offer much employee voice to be analyzed. It could therefore be enriched by interviewing the dismissed personnel of these companies and studying their viewpoints relating to the elements and experiences of e.g. fear or threat during and as a result of the negotiations. On the basis of both the writers’ experience and public discussion, however, the employees are not willing to be interviewed during the negotiating process in the fear of the interview affecting their present or future position. In addition, the very confidence written in the Act and embedded in the process, might inhibit a collection of such material.

It is not our purpose nor is it possible to generalize the results of this study. The results do, however, implicate some practical issues. As for legislation, the Act on Co-operation Negotiations might be outdated and need revision from the management-by-fear point of
view. Managers in CN situations should become more aware of the involved elements of communication, fear and threat and reflect on their own behavior as ethically responsible actors. In addition, the results should also show the media, that their role in the process of creating and utilizing fear is a central one, and that through this role they share the responsibility of the consequences thereof.
REFERENCES


