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Organizational Downsizing and the Finnish
Manager from an Ethical Perspective



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ABSTRACT

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Finnish Summary

Diss.

The aim of this dissertation is to contribute to our understanding of the relationship between organizational downsizing and the manager responsible for the downsizing operation within a Finnish context, particularly from an ethical perspective. The study consists of two main parts: an introductory essay and four articles. The main argument of the study is that downsizing is not a morally neutral phenomenon. We can say that there are two ethics-related issues which arise when downsizing is at stake: the acceptability of the decision to downsize and the treatment of employees.

In the introductory essay the integrated framework is developed for outlining the connection between the empirical articles, as well as proving a basis for a discussion of the findings. The framework draws particularly upon hermeneutics and social constructivism. The adopted ethical perspective is based on the idea of dialogical business ethics. According to dialogical business ethics, ethical knowledge does not arise from practice or from theory but, rather, it is a dialogical and processual construction of both of them. The focus in this study is on the textual dialogue between the language of theory and the language of the empirical data in the articles. The theoretical knowledge is based on an ethic of care, an existential business ethics, a local social contract and its binding to a considerable degree, and an Aristotelean reasonableness. The qualitative empirical data of the articles was collected through the in-depth interviews of managers. Additionally, the texts of a business newspaper and magazine were used.

The results of the study stress that every decision to downsize should be carefully considered, and that the contextual knowledge of a firm's financial situation is a crucial issue which needs to be taken into account in evaluating the appropriateness of downsizing. The results underline also the importance of empathy and care as moral concepts. More emphasis should be put on these emotions in the frameworks of business ethics and those of downsizing than prior research has done. Further, the study suggests that rethinking the concept of efficiency from an ethical viewpoint is of relevance.

Key-words: organizational downsizing, manager, business ethics, Finland, hermeneutics, social constructivism

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Jyväskylä, April 2001

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CONTENTS

ABSTRACT

ACKNOWLEDGEMENTS

PART I: INTRODUCTORY ESSAY

1	INTRODUCTION	9
1.1	Research task and integrated framework	9
1.2	Research process	13
1.3	Key concepts: downsizing and business ethics	14
1.4	Importance of the study	18
2	THEORETICAL AND METHODOLOGICAL FOUNDATION	23
2.1	Metatheoretical assumptions of this study	23
2.2	Ethical perspective	25
2.3	Synthesis of the methodological choices	28
3	REVIEWING THE CONTRIBUTION OF THE ARTICLES	31
3.1	Study 1: Downsizing and ethics of personnel dismissals – The case of Finnish managers	31
3.2	Study 2: The nature of managerial commitment to strategic change	36
3.3	Study 3: Organizational downsizing – An ethical versus managerial viewpoint	39
3.4	Study 4: Organizational downsizing and the business manager in a Finnish context: A discourse analytic framework and its application	42
4	CONCLUDING REMARKS	47
	YHTEENVETO (FINNISH SUMMARY)	51
	REFERENCES	56

PART II: THE ARTICLES

- I Lämsä, A-M. 2000. Downsizing and Ethics of Personnel Dismissals – The Case of Finnish managers. *Journal of Business Ethics* 23 (4), 389-399. Published with kind permission from Kluwer Academic Publishers.
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- IV Lämsä, A-M. 2001. Organizational downsizing and the business manager in a Finnish context: A discourse analytic framework and its application. *Academy of Strategic and Organizational Leadership Journal*. In press. This paper won a distinguished research award at the Allied Academies International Conference in Nashville, TN, April 4-7, 2001. Published with kind permission from the Allied Academies.

PART I: INTRODUCTORY ESSAY

1 INTRODUCTION

1.1 Research task and integrated framework

My dissertation explores the relationship between organizational downsizing and the manager responsible for the downsizing operation. The study is based on four previously published articles in which I have aimed at increasing our empirical knowledge and understanding of the phenomenon. Although each article deals with a unique research task, *my primary aim is to contribute to our understanding of the relationship between organizational downsizing and business managers within a Finnish context, particularly from an ethical perspective.* In particular, I combine theoretical and empirical knowledge to answer the following questions: what kind of an idea of the relationship does this knowledge give us, how is such an idea produced, and what are the ethical principles that are important in the relationship.

My starting point lies in the argument that despite the persistent occurrence of downsizing, our understanding of this vital issue is inadequate. The literature about downsizing and the manager's role in it examines the subject within a practically-oriented, instructive, and thus often atheoretical framework (Budros, 1999). It focuses almost solely on an economic perspective in explaining the phenomenon (McKinley et al., 2000). My other main argument is that downsizing is not a morally neutral event and that firms should carefully evaluate its appropriateness when considering such action. It should, therefore, not be thought of it as a normal business practice, but, quite the contrary, as an exceptional measure. The effects of downsizing particularly on the employees, the group which I focus on here, may be ethically problematic, as it causes them human and social damage which is beyond their own control (Hosmer, 1987; Orlando, 1999; Van Buren, 2000). They make plans for the future under the assumption of a continued source of income, and losing their jobs over no fault

of their own impinges on their well-being. Moreover, the fact that downsizing is also implemented in profitable organizations which are not facing any actual revenue declines makes the issue even more problematic in a moral sense. Prior research gives evidence that, in a downsizing situation, employees often feel that they are subjected to impersonal, uncaring, and unfair treatment by the management and by their respective companies (Amstrong-Stassen, 1998b; Hopkins & Hopkins, 1999; Laakso-Manninen, 1998). Additionally, the writing on downsizing frequently assumes that managers understand this phenomenon as a rational and predictable tool for manipulating the situation, and the literature is, therefore, mostly silent about the moral challenges and ambiguity of their work. Consequently, we can say that there are two ethics-related issues which arise when downsizing is at stake: *the acceptability of the decision to downsize and the treatment of the employees.*

The research task of the present study is divided into *three parts*. *First*, the theoretical part aims at creating and suggesting *an integrated framework* for outlining the connection between the four articles of the dissertation, as well as for providing a basis for a discussion of the findings. *Second*, I discuss the articles based on this framework and make propositions which aim at providing theoretical and practical insights to the phenomenon. *Third*, I draw my conclusions to explicate the main contribution of this dissertation.

The discussion now turns to the integrated framework, which involves *four basic assumptions* as illustrated in Figure 1.

There is a relationship between the actor – the business manager – and the object – downsizing.	The findings of the dissertation makes sense in the general Finnish and in its managerial socio-cultural setting.
This relationship is interpreted from a particular – i.e., an ethical – perspective.	The relationship is interpreted at different levels: individual, organizational, and societal.

FIGURE 1 The basic assumptions of the integrated framework

The first basic assumption draws on the phenomenological idea that an object cannot be understood without an actor, there being thus a relationship between them (Saarinen, 1989; Varto, 1995). From the viewpoint of the dissertation, this idea helps us to understand that the object, organizational downsizing, and the actor, the business manager, cannot be separated but, rather, they are intertwined and are studied as a relationship here. This underlines the notion of the social world as a constitution of people, and it is the actor's – the manager's – perspective towards downsizing which is stressed in this context. The important reality is what the actor perceives it to be. The empirical data studied in the articles, then, represent the actor's viewpoint to the topic.

The second basic assumption is based on the hermeneutic idea that the relationship of actor and object cannot be studied directly but through its

representation, which should be examined as something presupposing interpretation (Kusch, 1985). In other words, the research aims at interpreting the meanings of texts which refer to the relationship¹. We are not able to perceive the meanings in the relationship directly but, rather, in the way they are mediated. That is, meanings and their interpretation are inseparable from perspectives, concepts, theories, and methodological devices. The results of my dissertation, then, do not emerge from a “vacuum” but, rather, the ethical perspective I as a researcher have chosen acts as an “interpretative lens” for understanding the empirical descriptions in my study data. Moreover, the assumption is that the ethical perspective does not determine the phenomenon but instead provides a dynamic resource for understanding it. New knowledge, thus, arises from an active dialogue between theoretical and practical knowledge. Tensions and conflicts can be seen as offering an opportunity for new forms of understanding.

Further, according to *the third basic assumption*, people are not isolated from each other, but share the world with others (Berger & Luckmann, 1966; Schutz, 1980). We create and maintain human communities through cultural conventions and practices. Hence, the business manager’s approach to organizational downsizing – as well as mine – is of social origin. We use our common cultural resources to understand and experience our own and other people’s behaviour to give it intersubjective meanings. A socio-cultural setting refers to those collective meanings which are manifested in the basic assumptions, values, norms, actions, and symbols which are born and develop in a particular time and place, and which influence the understanding and functioning of the people of the culture in question (Aaltio-Marjosola, 1992; Fornäs, 1998).

The third assumption specifically underlines the idea that the conclusions of this dissertation make sense in relation to a given socio-cultural setting. In other words, the findings are valid in the Finnish business managerial context at the particular time the study is conducted. Thus, we need to be careful in applying the results to another type of socio-cultural setting, and the same is true of the research results on this topic found in other contexts. This does not mean, however, that the results might not be valuable and of interest in another context as well. To be able to evaluate their validity, the reader needs to be familiar – at least to some extent – with the features of the cultural environment in question, and must remember them when comparing the findings to his or her own culture. For this purpose, there is a socio-cultural analysis relevant to the topic later on in this introductory essay.

Rather than emphasizing the law-like nature of a cultural environment, the view adopted here is that it is dynamic by nature. Hence, I assume that the socio-cultural environment is subject to processes of sedimentation as well as innovation (Ricoeur, 1984, p. 68). It consists of habitualized ways and offers

¹ The attempt to interpret the meanings of texts, thus, draws on hermeneutics. Although classical hermeneutics was interested in the texts of literature, religion, and law, I adopt here an extension of the concept of text to include speech and discourse. Further, I reject the possibility of objective, positive knowledge. “Truth” cannot be found by following the general rules of a scientific method that is largely independent of the perspective and context in which it emerges but, rather, “truth” is contextual and historically situated.

resources for thought and action which act as a restraint and at the same time pose new challenges for change². Despite the dynamic view of culture, it is important to note that, once established, socio-cultural conventions are often experienced as a law-like, taken-for-granted constraint and are thus collectivized, objectified, and even reified through social construction processes in a specific cultural environment (Berger & Luckmann, 1966; Phillips, 1991, p. 790). People treat them as real and draw upon these conventions in creating meanings. But we cannot say that socio-cultural conventions are the absolute truth, even though they may be treated as such.

The fourth basic assumption employs Carroll's (1978) model of ethical thinking. This model points out the benefits of conceptualizing of ethical issues at various levels. Consequently, my aim in the dissertation articles is to interpret the relationship between downsizing and the business manager from different perspectives. Such a combination gives us a broader understanding of the phenomenon compared to a single case. I study the relationship at three levels³, namely at the individual (articles I and II), the organizational (article III), and the societal (article IV) level. At the individual level, the focus is on the experiences and meanings by which specific case managers describe their own action and behaviour in a downsizing situation. The focus at the organizational level is on the case managers' way of explaining and justifying downsizing as an organizational action. Finally, at the societal level downsizing is explored against a broader Finnish business environment.

I have structured my dissertation into *two main parts*. *The first part* consists of this introductory essay, the remaining chapters of which deal with the following areas: At the beginning, I briefly describe the different phases of the research process. This is followed by a definition of the key concepts – downsizing and business ethics – and an overview of the current research on the topic. I then propose the concept of dialogical business ethics as a basis for the ethical perspective of the dissertation. Next, I discuss the question of why this dissertation is important, and present central socio-cultural issues which make the study of particular interest in the socio-cultural context of Finnish business. After this, I clarify the metatheoretical assumptions of the study and the adopted ethical perspective, in particular. I then present a synthesis of the methodological choices. Finally, I discuss the contribution of the four articles and make propositions. *The second part* of the dissertation then consists of the articles themselves. They are presented in their original form.

² Here I reject the assumption of such theories which understand people only as “products” of their cultural environment (Aaltio-Marjosola, 1992).

³ In the original model for ethical thinking Archie Carroll presents five different levels: individual, organizational, association, societal, and international.

1.2 Research process

This dissertation was initiated on the basis of my licentiate thesis (Lämsä, 1998a), where I examined the experiences of top and upper-level management concerning personnel dismissals in downsizing organizations in Finland. I applied the phenomenological approach and studied the phenomenon from an ethical perspective. This first phase of the research process indicated that the responsibility for dismissals was a complex experience for managers and involved various ethical problems. My early work assured me of the considerable importance of the topic, and I therefore explore it more thoroughly in the present study.

The first article of this dissertation (Lämsä & Takala, 2000), then, deals with the main results of my licentiate thesis. It examines managerial experiences of decision-making concerning personnel dismissals in a downsizing organization at the level of individual managers. The article looks for answers to the following specific questions: How do business managers describe their experiences of decision-making regarding dismissals in downsizing organizations? In particular, how do they constitute decision-making from an ethical viewpoint? What ethical problems are involved in the decision-making and why?

The licentiate thesis triggered the idea that managers' commitment to such a complex and ethically problematic phenomenon as downsizing may not be self-evident. Consequently, in the second phase of the process, this relationship was investigated and theorized by applying the concept of commitment (Lämsä & Savolainen, 2000). This article focuses on the individual level similarly as the first one, and aims at answering the following questions: How do business managers constitute the nature of their commitment to strategic change? In particular, what are the main elements affecting commitment formation and what are the consequences of that commitment?

The licentiate thesis showed that managers experienced downsizing as an ethical dilemma between human and economic values. This suggests that the legitimacy of downsizing is not self-evident for them, and there exists an incongruence between downsizing and the question whether downsizing is rightful or not. Consequently, it was relevant to focus on this issue, and, hence, the topic was studied in the third article (Lämsä, 1999) by focusing on managerial explanations as an organizational-level issue. The following questions are addressed: How do business managers explain and justify organizational downsizing and their own role in it from an ethical viewpoint? Why is it a legitimate change strategy for them?

Further, both the licentiate thesis and the third article implied that business managers legitimate downsizing mainly based on economic justifications. The target of the fourth article (Lämsä, 2001), therefore, was to investigate whether this is true also at the broader societal level of business professionals in Finland. The article seeks answers to the following questions: What kind of representations of downsizing and managers are produced

discursively in a professional business newspaper and magazine, and how are such representations produced?

To summarize, each study triggered another one in the course of the research process. It was an iterative rather than a sequential process. In this hermeneutic process (Kusch, 1985, pp. 90–93; Lämsä, 1998a, pp. 70–74), my understanding and my theoretical and empirical knowledge of the phenomenon were interrelated and interdependent, modifying the process. Each specific study reflects the phase of my understanding of the phenomenon at that particular moment and in the situation in which the study was conducted⁴. The present introductory essay then brings the process together and discusses the contribution of the dissertation.

1.3 Key concepts: downsizing and business ethics

Despite the current economic recovery, downsizing in Finland continues and companies are constantly issuing announcements about downsizing activities. A similar tendency is ongoing in other Western economies as well. McKinley et al. (2000), for example, argue that downsizing has become solidly entrenched in the Western corporate environment. The literature gives a number of reasons why organizations downsize. Typically these refer to changes in the business environment, a shift in technology, excess capacity, economic recession, a strategic choice to concentrate on the core business, and an oversized organization. In general, it is argued that organizational downsizing is a major strategic alternative today for firms wanting to reduce costs to improve their competitive advantage and/or to prevent losses in the market (Dahl & Nesheim, 1998; Drew, 1994; Hill & Jones, 1998; Palmer et al., 1997; Tomasko, 1990).

Despite doubts as to the effectiveness of organizational downsizing (Amabile & Conti, 1999; Armstrong-Stassen, 1998a; Cascio et al., 1997; Fisher & White, 2000; Mone, 1994; Shah, 2000; Slocum et al., 1999), it appears that the view that efficiency strategies are necessary to reduce gaps in corporate performance have fuelled their widespread diffusion in Finnish companies since the beginning of the nineties. For example, the Finnish social scientists Julkunen and Nätti (1999, p. 29) contend that the number of jobless people kept on growing throughout the nineties and the international downsizing trend spread to Finland at the same time. Hence, despite the recent economic recovery, the subject of this dissertation continues to be an issue of interest in Finnish business life.

Downsizing is typically defined as *a purposeful change strategy implemented by management that aims at the elimination of jobs and positions to improve efficiency* (Cameron, 1994; Cascio, 1993; Freeman & Cameron, 1993; Lamertz & Baum,

⁴ We can say that the process of understanding is an endless one. From the viewpoint of the dissertation, this means that we have to accept the fact that research is always an infinite process, although it ends in practice when a sensible interpretation has been reached.

1998; McKinley et al., 2000; Palmer et al., 1997). It is a strategy that focuses on eliminating headcount and reducing the number of employees⁵. In general, efficiency in relation to downsizing is understood as an economic concept, that is, its benefits and possible damage, if taken into consideration, are calculated economically from the viewpoint of a specific firm, often only from the viewpoint of the shareholders. For example, the fact that downsized workers may lose their homes and that the suicide rate among laid-off workers is much higher than average (Orlando, 1999, p. 295) are issues that are typically not considered. Consequently, the idea that downsizing is a social problem, that there is a gap between society's and people's expectations regarding a firm's social performance, and its actual social performance (Carroll & Buchholz, 2000, p. 13), is something not mentioned in the definition of the concept of efficiency. It is assumed that downsizing is a rational, predictable tool by which the financial performance of a business enterprise can be manipulated.

Downsizing is generally distinguished from the concept of decline, which is defined as unintentional on the part of the organization and its management (Freeman & Cameron, 1993)⁶. Decline is a negative consequence of maladaptation to a dysfunctional environmental condition and, thus, can be assessed independent of managerial action. To summarize, then, there are three key aspects in how the concept of downsizing is defined. First, it is understood as a purposeful rational endeavour of business managers. Second, its aim is to improve competitiveness and productivity. It relies on the business value of efficiency defined as an economic concept from the viewpoint of a firm, often only from that of its shareholders. Third, it involves reductions in personnel. There are a variety of reduction strategies that can be associated with downsizing, such as redeployment strategies (e.g., hiring freeze, early retirement incentives, involuntary transfer-out within a company, involuntary part-time or short-week schedules) and layoff strategies with or without outplacement assistance.

The ethical perspective positions this dissertation into the field of business ethics. Business ethics has lately been one of the growth areas in the business world, particularly in the United States, where interest in empirical research on the subject arose in the sixties (Fritzsche, 1997, p. 58; Nash, 1993, p. 6). In Finland, similar development did not occur until the nineties and, hence, the field remains largely unexplored in a Finnish context. The concept of business

⁵ According to Cameron (1994, p. 197), there are three types of downsizing strategies. The first, labelled a workforce reduction strategy and adopted as a starting point in this dissertation, focuses mainly on eliminating headcount and reducing the number of people. The second type is a work redesign strategy which aims at reducing work in addition to or in place of reducing the number of people. The third type is a systemic change strategy where the focus is on changing the organization's culture and the values and attitudes of the employees. These three strategies are not mutually exclusive, of course, and, thus, can be applied together in social practices.

⁶ In general, there are a variety of concepts which are commonly used as substitutes for downsizing. For example, Cameron (1994) notes that there are over 30 different related concepts such as reorganizing, retrenching, re-engineering, reduction-in-force, restructuring, leaning-up, slimming, etc. Each of these concepts has unique connotations and they highlight the phenomenon differently. Since downsizing defined as an intentional action of management has become rooted in the current literature, it is the term used in the present study.

ethics is generally used to refer to a broad range of issues and topics related to the social and moral responsibilities of businesses and of the people making decisions in a business context. Its field is multidisciplinary by nature, drawing on such varying traditions as moral philosophy, theology, social sciences, and management. Hence, it lies in the intersection of abstract philosophical frameworks, empirical research, and managerial practices. The existence of various traditions and their different background makes the field difficult to manage, to define and to study, and the absence of a comprehensive theoretical framework is acknowledged (Kahn, 1990; Velasquez, 1982). Nevertheless, there seems to be a relatively common agreement among researchers that two general categories of concepts can be utilized in this connection and, hence, the concepts of *normative and descriptive business ethics* are often applied (Brigley, 1995; Gatewood & Carroll, 1991, p. 681; Kahn, 1990; Velasquez, 1982).

The concept of *normative business ethics* is rooted in philosophy and theology, and focuses on how people in business ought to act, given normative standards and justifications of morality. They provide the tools for researchers to make distinctions between ethical and unethical behaviour. From this point of view, business ethics is a specialized study of moral right and wrong (Velasquez, 1982, p. 14). It focuses attention on the question how firms and business people ought to behave in order to be ethical. The traditional understanding of normative business ethics is criticized here since it assumes that ethical theories have priority over the practical world of the actors. In other words, theories are ranked first and practical knowledge comes only second.

The concept of *descriptive business ethics* is used when the focus is on people's experiences, thinking and action in business. The approach is rooted in the management and social sciences. Normative standards or justifications are not applied. Research, thus, aims at describing and interpreting culturally and socially constituted moral reality. Consequently, ethics is assumed to arise out of the practical world of the actors. The problem is that it is difficult to develop normative ethical principles from the descriptive approach. In other words, we cannot easily develop ethical imperatives solely from empirical descriptions (Airaksinen, 1987, p. 29; Donaldson & Dunfee, 1994), which limits the possibilities for moral discussion.

I base my dissertation on the idea that it is valuable to understand the experiences and thinking of business people in practice and, hence, that practical knowledge is of major importance. Furthermore, I emphasize that it is not only practical knowledge and understanding which are significant, but that the interaction between ethical theories and practical knowledge is also relevant. Thus, we need dialogue and conversations between the different perspectives to develop moral knowledge. I consequently stress the view of business ethics as *an ongoing process between the language of theory and the language of practical knowledge of what is right and wrong, good and bad*. I refer to this approach as *dialogical business ethics (DBE)*. Its basic elements are illustrated in Figure 2.

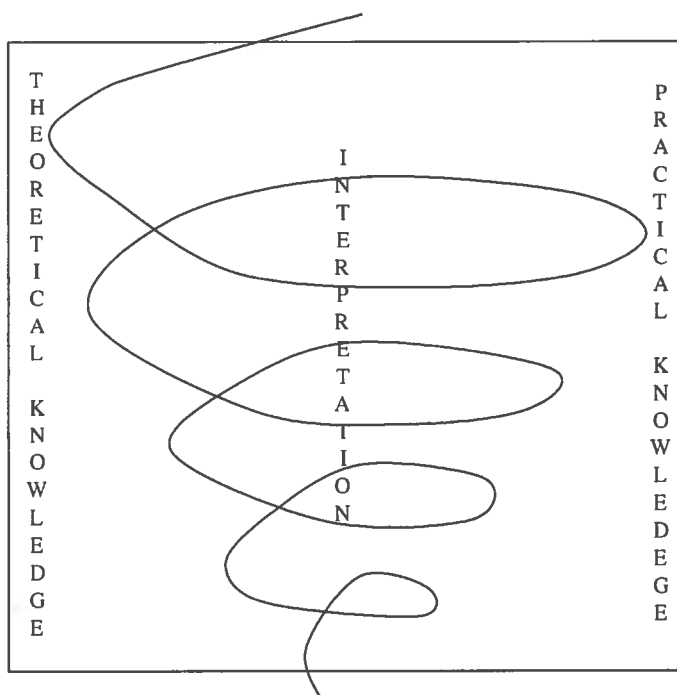


FIGURE 2 The main elements of dialogical business ethics (DBE)

My understanding of the concept of dialogical business ethics stems from hermeneutics, which emphasizes the reflective and iterative nature of the understanding process, and the concept could, therefore, also be called hermeneutical ethics. Nevertheless, it is termed dialogical business ethics here, since it could as well be applied in the context of real dialogue and conversations between people, with practical business people and researchers interacting together in a common process to produce knowledge. The focus is this dissertation, however, is on the textual dialogue between the language of theory and the language of the empirical data in the articles. So, in this regard, my dissertation is a specific application of dialogical business ethics.

To summarize, according to dialogical business ethics, ethical knowledge does not arise from practice or from theory but, rather, it is a dialogical and processual construction of both of these. The advantage of the approach is that it does not rank theory or practice first but seeks to combine them. It allows a dialogue between different types of theoretical and practical knowledge and their application in a specific situation. The concept is intended here as a framework for integrating normative and descriptive business ethics and for enabling a discussion of the articles. Furthermore, while some researchers suggest that there is a distinction between the words “ethics” and “morals”

(Green, 1994, p. 47; Saarinen, 1985), in the present study they are used as synonyms (Donaldson, 1989)⁷.

1.4 Importance of the study

Despite increased attention to business ethics, interpretative empirical studies are relatively short in supply, although there are some well-known and outstanding examples (e.g. Jackall, 1988; Toffler, 1986). Consequently, the current business ethics research and literature provides little aid in understanding the particular ethical dilemmas that business managers face in social reality (Brigley, 1995; Donaldson, 1989, p. 23; Orlando, 1999, p. 310). In general, empirical business ethics research is criticized for its mainly positivist approach and for revealing no deeper understanding of ethical issues in social reality (Crane, 1999; Long et al., 2000). Parker (1998) says that although there are epistemological tensions between moral philosophy and practical managerialism, business ethics research should focus on the ambivalence of social action instead of encouraging moral certainties. Furthermore, Phillips (1991, p. 788) contends that attempts to take into consideration the existential basis of ethical issues and the social construction of reality are important for the future development of business ethics research.

Ethics is an important aspect of human activity, and business ethics deals with human activity in a business context. However, there is an obvious lack of an interpretative approach in current empirical business ethics research. In itself, *such understanding as provided by this dissertation can be seen as vital for business ethics research and the practical world of managers*. Furthermore, there are only very few studies in Finland which focus on the social reality of business people and entrepreneurs from an ethical aspect (Katila, 2000; Lämsä, 1998a; Takala, 1991). Thus, there is an urgent need for such knowledge in the Finnish environment.

In much of the downsizing literature, scholars have investigated the effects of a downsizing strategy on organizations and their employees. At the individual level, the literature has dealt with issues such as the impact of downsizing on the laid-off employees as well as on the survivors. At the organizational level, researchers have studied the influence of downsizing on changes in organizational structure. In addition, they have investigated the financial outcome of downsizing. (McKinley et al., 2000). The prior research is criticized here for the economic perspective adopted, either explicitly or implicitly, by the scholars. Apart from that, the literature often focuses on

⁷ The distinction between the words is typically such that ethics is defined both as a study of individual and collective moral reasoning, conduct, and judgement, and involves the idea of reflecting the underlying principles. Consequently, ethics belongs to the field of philosophers. Morality, for its part, is often understood as the customary and conventional values and activities that are embedded in the social practices of people. It, thus, belongs to the field of practitioners. However, since I stress the dialogical and processual nature of ethical theories and practical knowledge the traditional dualistic division of these concepts seems irrelevant.

practical and legal advice on how to manage a downsizing process effectively. However, the question of a firm no longer having use for some of its employees is also very much a moral issue. Hosmer (1987), for example, points out the conflict between human and economic interests in such a situation. Orlando (1999) argues that there are several ethical concerns involved in downsizing, such as the moral equality of the workers and other stakeholders, and Murphy and Enderle (1995) suggest that ethical leaders need to realize the enormity of their decisions, such as plant closings and divestment, on the lives of other people. Despite its ethical concerns, prior downsizing research has paid little attention to the ethical perspective and *there is an important gap in the existing literature related to the ethics-downsizing interface. The findings of this dissertation play a significant role in helping to bridge the gap.*

Hardly any academic research has so far been conducted on downsizing, let alone on the ethics-downsizing interface, within a Finnish context (Laakso-Manninen, 1998). However, the Finnish socio-cultural environment has some important features which make such research particularly interesting and relevant from a moral viewpoint. In general, cultural studies describe Finnish culture as homogeneous (Knuuttila, 1998, pp. 20–25)⁸. People are seen to be very similar as far as their values, norms, and morality are concerned. Thus, the moral order of the culture, which defines what is valuable and which principles are regarded as good and bad, right and wrong (Katila, 2000, p. 21), is an interpretative framework and, often implicitly, directs people's understanding and way of acting.

An important aspect from the viewpoint of this dissertation is the high regard that Finns have for work as such (Katila, 2000; Kortteinen, 1992; Lämsä 1998b). Work has a strong moral value. Doing one's work properly and honourably, thereby proving one's competence, is considered a moral virtue which leads to success. Trust, trustworthiness, and keeping one's promise are important values as well. In other words, the value of an individual in the Finnish society is defined through his or her work and competence. This conviction is, however, also the bedrock of a moral guilt mechanism. People are expected to fulfil their social obligation as hard-working and competent members of society, and therefore unemployment or even the risk of losing one's job is not merely a financial question but also a moral failure (Kortteinen & Tuomikoski, 1998).

A business manager in charge of a downsizing operation, thus, promotes moral shame, at least implicitly, by violating against the traditional societal moral order. The appropriateness of downsizing is a morally questionable phenomenon in the Finnish socio-cultural setting compared to cultures where such a value basis is not prevalent. Consequently, from this point of view, managing such an action may pose a threat for the honour of the business manager him-/herself and places the manager in danger of being put to scorn.

⁸ In contrast to a homogeneous cultural environment, it is possible to distinguish cultures in which individuality and fragmentation are prevailing. It is argued that people in such cultural context need, for example, a lot of explicit knowledge whereas implicit and highly contextual understanding is needed in homogeneous cultures (Knuuttila, 1998, p. 23).

This is not typical of the managerial status which, in general, is admired, and has even been compared to the role of a god in the company (Jackall, 1988, p. 192). Hence, the business manager is in a very ambiguous situation in relation to downsizing and receives quite conflicting signals in practice.

Futhermore, despite some recent changes, the social expectations and conventions in Finnish working life still largely rely on the ideals of permanent contracts of employment. These are traditionally regarded as an important device for creating security in people's lives. According to Julkunen and Nätti (1999, p. 23), Finland, like the Nordic countries in general, has a normative societal tradition which emphasizes full employment as a means of well-being. Personnel reductions have been an exceptional rather than a conventional way of acting in the labour market⁹, and social responsibility for the workers has been a leading value. So, there is not only an explicit but also an implicit social bond between an employer and an employee with regard to the continuance of an employment contract. In other words, workers have expected full and continuous employment on the basis of the local values and mores, and companies, in order to be good "citizens" (Van Buren, 2000), have respected these expectations.

Several studies give evidence that unemployment creates numerous human and societal-level problems such as an increase in financial, physical, psychological, and social difficulties among the unemployed (Koistinen, 1999, pp. 187–193). Personnel dismissals due to downsizing obviously cause feelings of insecurity and psychological damage among people. Additionally, such dismissals are a violation against the traditional socio-cultural communal value of security and well-being. From this point of view, the business manager is not only in a conflict situation between the value basis with its great appreciation for work, on one hand, and the downsizing action, on the other. There is also a conflict between the ideals of a permanent job and of well-being and the damaging effects of downsizing. Besides raising the number of the unemployed, downsizing also tends to increase the variety of the types of employment contracts used. Additionally, different stakeholders keep a close watch on the way a business manager manages a downsizing process, since labour legislation makes explicit demands on how to act in such a process¹⁰. Hence, the quality of the manager's work is under tight control.

⁹ Following an extended period of rapid economic growth and almost full employment, the Finnish economy sank into depression in the first half of the nineties. The unemployment rate rose from 3.5% in 1990 to 18.0% in 1994. It has slowly improved, and at the end of nineties it was between 11 and 12%, according Statistics of Finland figures. (Julkunen & Nätti, 1999). Moreover, there has been an increase in variety in the types of employment contracts during the nineties from permanent to flexible (Kiander et al., 2000). The figures also show that downsizing is a challenging issue in Finland as regards its economic aspect. In the Finnish labour market there is a tendency for unemployment to become structural. This tendency has increased the number of the poor in society. It has been a growing problem in the Finnish economy since the nineties (Koistinen, 1999, p. 191) and implies that the ideals of the Nordic welfare society and social responsibility may be changing.

¹⁰ For example, such rules as advance notice and negotiations between shop stewards and management are obligatory in a downsizing process. Employees' protection against dismissals is strictly prescribed by law and the periods of notice are relatively long. Business managers in charge of downsizing, thus, need a lot of knowledge about law and its stipulations. In addition, negotiation skills are important for them.

With regard to the overall socio-cultural value set in Finland, Hofstede (1992) argues that it is based on feminine values. Caring plays a major role in the traditional Finnish moral order, together with the idea that it is people, rather than things and money, that are important. In contrast, much of the managerial literature is based on masculine values which emphasize effectiveness, assertiveness, and acquisition of money (e.g. Boot, 1994; Calas & Smircich, 1996; Mills, 1988; Linstead, 2000; Lämsä & Sintonen, 2001). The practical and international managerial literature on downsizing gives particular emphasis to efficiency (McKinley et al., 2000). Effectiveness, not care, is the primary value. Although there is no extensive research on the nature of business managerial culture in Finland, some studies do indicate that the Finnish business values may be based on, or are changing towards, the valuation of efficiency over care (Lämsä & Tiensuu, 2000; Lämsä et al., 2000). Consequently, in addition to the above-mentioned controversies, the business manager also faces a conflict between the traditional socio-cultural value basis of care and the business value basis of efficiency.

The relationship between the business manager and organizational downsizing in Finland involves a number of delicate value-related conflicts, as summarized in Figure 3. These arise primarily from the disagreement between the general and traditional socio-cultural moral order and the expectations of efficiency, productivity, and profitability in the business world.

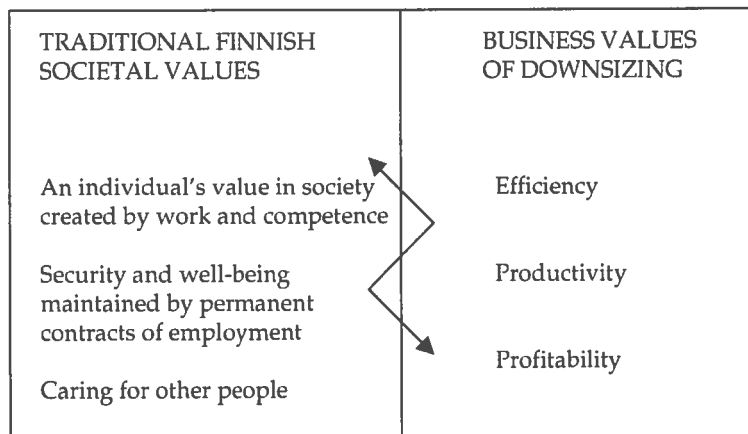


FIGURE 3 Conflicts between traditional societal values and business values

To summarize, this dissertation deals with a highly problematic moral issue in the Finnish context. The consequences of downsizing are regarded as a cause of substantial harm and moral shame to the dismissed people. Further, from the perspective of traditional societal values, downsizing is not always considered as an appropriate way to act. Business managers, faced with conflicting values, cannot be sure of what would be good ethics in a given situation. Thus, they live in an atmosphere of moral ambiguity. Their capability to act, not only in a legally but also in an ethically proper manner in such a situation, is being

strictly controlled and their own reputation is at stake. Hence, the effects of downsizing can be damaging, besides to those who are dismissed, also to the managers themselves. This is a highly sensitive issue with respect to feelings such as moral shame but also to feelings like guilt, sorrow and fear (Gilbert, 2000; Lämsä, 1998a).

2 THEORETICAL AND METHODOLOGICAL FOUNDATION

2.1 Metatheoretical assumptions of this study

Empirical business ethics research involves metatheoretical assumptions which are often taken for granted and seldom discussed by researchers. The research, and the framework of that research, are grounded on implicit and explicit ontological and epistemological assumptions, which should be revealed and discussed (Burrell & Morgan, 1989; Long et al., 2000; Payne, 2000). By acknowledging their existence we challenge the traditional modern ideal of a social science that is free of presuppositions, and accept that the creation of knowledge is not neutral in regard to its underlying presumptions but has social, moral and political implications. Knowledge is shaped by the way a researcher tries to concretize the basic assumptions that underwrite the research, and this process is not value-free. So, in an empirical study we need to express our basic presuppositions and assume that they are valid and coherent for the purposes of the study, rather than to try to prove the validity of the metatheoretical assumptions.

Veldsman (1990, p. 350; cited in Payne, 2000), moreover, claims that without this kind of understanding research would even be unethical, since such assumptions – or metatheory – describe reality and actually serve as a catalyst in creating reality. Thus, a lack of awareness of these issues can make us overlook what is being assumed in a study and what the possible outcomes of such assumptions may be. Here I draw upon Palmer and Dunford (1996), who point out the importance of a reflective attitude, that is, the capability to recognize and discuss these assumptions. A reflective approach helps us to see under what conditions and assumptions the research findings are valid, and also gives us insight for discussing their implications. The trustworthiness of a study is thereby open to evaluation and discussion on far better grounds than in a situation where the assumptions are not made visible.

The basic assumptions of the integrated framework used in this dissertation are, therefore, clarified below. However, I do not claim that it is possible to make all the assumptions visible or to discuss them fully within a given study. We need to accept the fact that even when we try to be reflective, there are certain limits and constraints operating whether they are acknowledged or not¹¹. Furthermore, reflectivity should not mean falling into an endless regress of deconstructions and interpretations.

I have adopted *the interpretative paradigm* (Alasuutari, 1994; Burrell & Morgan, 1989, pp. 260–278; Holstein & Gubrium, 1994; Tesch, 1990) as a starting point in this dissertation. The chosen paradigm differs from the mainstream empirical business ethics research, which is often based on the assumptions of positivism, quantitative methodology, and/or the use of vignettes. According to the interpretative paradigm, it is possible to clarify the relationship between downsizing and managers in a Finnish context, but not to find answers to such question as, for example, what is the definitive truth in regard to the management of the downsizing process. Adoption of the interpretative paradigm challenges the view that there is only one reality and, instead, acknowledges the existence of multiple realities. My focus here is on the Finnish business managerial reality, but I do not deny the existence of other, differing realities.

The interpretative paradigm involves a set of subjectivist assumptions about the nature of human experience and social order. The social and moral world does not exist “out there”, but is the subjective construction of human beings who, through the use of language, express, create, and maintain mutually shared meanings. Consequently, the interpretative paradigm accepts *a subjectivist epistemology*. In this dissertation, the focus is on the dialogical process between the language of theory chosen by me as a researcher and the language of the empirical data presented in the articles. In other words, knowledge is assumed to be created through an iterative process rather than in an objective world “out there”. The assumption is that knowing is contextual and in an ongoing process of change.

From the above viewpoint, my findings refer to a particular reality in place at a particular point in time as viewed from a particular perspective. The present study, therefore, does not stress only the importance of the selected theories but also the importance of the world of the practical actors. For example, Schutz (1964; cited in Holstein & Gubrium, 1994, p. 263) says that “the safeguarding of the subjective point of view is the only but sufficient guarantee that the world of social reality will not be replaced by a fictional non-existing world constructed by the scientific observer”.

¹¹ The idea of limits and constraints is originally Polanyi’s (1966), who makes a distinction between tacit and explicit knowledge. Tacit knowledge is personal, context-specific and hard to communicate. Therefore, knowledge that is expressed in words represents only a part of the entire body of knowledge. Polanyi says that “we know more than we can tell” (p. 4). This can be understood to mean that we do not always have explicit concepts by which to express our experiences. In addition, the richness and changing nature of the world make it impossible to explain and reflect upon it fully.

Associated with the above-mentioned ontological and epistemological assumptions is the assumption regarding human nature. If we acknowledge the existence of multiple realities and adopt the views of subjectivist epistemology, our assumption about human nature is related to *voluntarism* (Burrell & Morgan, 1989, p. 2). Voluntarism attributes a creative role to human beings and sees them not merely as “products” of their social environment like, for example, determinism does, but rather stresses the idea of free will. People are able to decide for themselves what they believe in and what they do. Although socio-cultural conventions do restrict our moral and other decisions, I assume that people are not “duped” by their environment. They are also active interpreters of social reality and can, thus, also be regarded as its creators. From the viewpoint of this dissertation, the implication is that business managers with respect to their actions in downsizing are not determined by external forces but that they are able to make their own choices. Thus they are regarded here as morally accountable agents.

2.2 Ethical perspective

The adopted concept of dialogical business ethics draws on the idea of hermeneutics and the hermeneutic circle (Kusch, 1985; see also Kvale, 1996, pp. 47–51). Accordingly, moral knowledge in this dissertation is interpreted through a textual dialogue between the language of theory and the language of empirical knowledge, in order to obtain a valid understanding of the meaning of the text. This is, in fact, an infinite process. Thus, the findings and the propositions of the dissertation are bound to theoretical and practical knowledge, although not in a deterministic but in a creative way. The moral knowledge is subject to negotiation and, therefore, incomplete. What is even more important, this incompleteness and uncertainty are fully recognized as an element of the dynamic nature of the selected approach.

Moreover, the process of understanding is a learning process involving reflective thinking which contributes to the understanding of the phenomenon. Deriving from the learning theory by Mezirow (1995), the reflective learning process calls for continuous questioning of one’s own assumptions in a dialogue with someone else. However, the way in which the concept of dialogical business ethics is applied in this dissertation only refers to my learning process in relation to the texts and not to the business managers’ learning process, although the interviews by means of which the topic was explored implicate that such learning may also have taken place (Lämsä, 1998a). In this regard, the concept is used here in a limited sense, since it involves no real face-to-face dialogue between the business managers and myself aiming at common reflective learning about moral knowledge.

It is particularly significant to clarify the assumptions of moral knowledge adopted as theoretical “lenses” for understanding the empirical data presented in the articles. *Four main assumptions* are applied in this dissertation. *The first one*

is based on the idea that people should be treated as an end and not merely as a means, yet taking into account their particular self-defined ends. Moreover, they should be treated in a fair and equal way, which requires seeing each individual as worthy of equal respect, and applying fairness and equality in relation to other people. This assumption draws upon an ethic of care (Gilligan, 1982; Dobson & White, 1995; Held, 1993; Liedtka, 1996; also Carroll & Buchholz, 2000, pp. 120–121, 137–139; Burton & Dunn, 1996; Wicks et al. 1994). It is a varied tradition, but what is stressed here is the central attention it gives to interpersonal relationships and connectedness, a care-responsibility perspective, and the idea that caring ought to be fair also in relation to others, in this context to the stakeholders of a firm. The ethic of care, thus, emphasizes the need to take into account the situation and perspective of others. Moreover, it encourages communication to enable people to understand the wide variety of positions other than their own. The actors' moral imagination – the ability to take into consideration a web of diverse relationships – and the ability to discern the subtle ways in which people are affected by managerial action (Carroll & Buchholz, 2000, p. 124) are of particular importance here.

The second assumption draws upon the existential view of business ethics (Phillips, 1991; Berger & Luckmann, 1966). According to this view, ethical issues are part of a complex and ever-changing web of social relationships. People who form a social group, for example business managers, share particular beliefs, and these shared beliefs allow institutional interactions to occur. Thus, the way people understand the world is to a large extent a product of the social world in which they live. It is important to note that the moral conventions and beliefs of a particular cultural setting are easily collectivized, objectified, and even reified. Hence, people may become “locked” into objectified versions of their own social realities, which may cause them to lose the understanding of the primacy of human activity and to abdicate their responsibility (Phillips, 1991, p. 791). For example, the version which sees downsizing as a good change strategy for improving the efficiency and profitability of a firm can be understood as an objectified “truth” that is not easily called into question. Consequently, the second assumption of this dissertation is *that 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.*

The third assumption is based on the idea that such social contracts exist which the members of a particular society, often implicitly, rely on, and that these contracts should be respected. This assumption draws on the social contracts theory (Donaldson & Dunfee, 1994; see also Fritzsche, 1997, pp. 43–47) and on the notion that social contracts are binding (Van Buren, 2000). For this dissertation I adopt only the idea of a local social contract, that is to say, the traditional Finnish societal value basis and its moral order. Thus, the local contract here refers to an informal agreement concerning behavioural norms that have developed from shared goals, beliefs, and values in the course of time. Business enterprises gain legitimacy by “signing” such a contract with society, and the purpose of their existence is to enhance the welfare of society, for example, not

only by meeting the interests of the shareholders but also taking into account the interests of the employees. Van Buren contends that because firms are members of the societies in which they operate, they are subject to local social contracts. So, the values and norms of a particular society may be regarded as a social contract that is morally binding, to a considerable degree, upon the organizations operating within it.

The fourth assumption is based on the idea of reasonableness. According to this idea, people ought to be reasonable in their acts. This assumption is grounded on Aristotle's ethics that focuses on seeking the Golden Mean between two extremes: excess and deficiency (Aristoteles, 1981). According to Aristotle, excess or deficiency represents vice, whereas the mean represents virtue. The Golden Mean does not, however, dictate that moderate levels of acting would always be right but, rather, that action should be appropriate to the context. Thus, what is especially important here is that the appropriateness of an action – for example, downsizing – ought to be evaluated in its proper context (MacIntyre, 1985). Whether a company is in decline or not is, therefore, a question worthy of consideration when evaluating the appropriateness of downsizing in a Finnish context.

The adopted ethical assumptions are summarized in Figure 4.

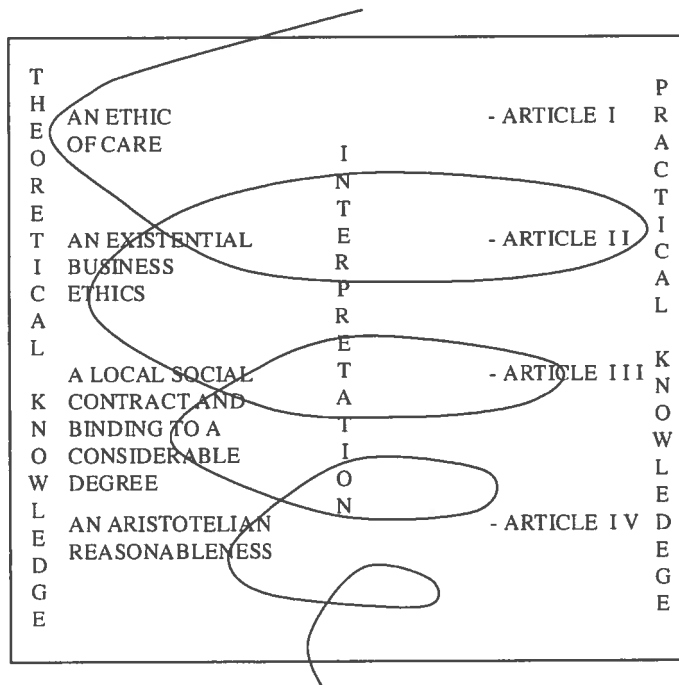


FIGURE 4 The application of the dialogical business ethics concept

2.3 Synthesis of the methodological choices

Each of the four articles of the dissertation has a different emphasis in the interpretative paradigm, which in itself contains several approaches¹². Although these approaches bear resemblance to each other, they also include variation. In general, they are indebted to the phenomenological and hermeneutic traditions, although some are derived from linguistics. Basically, they all *focus on language*, which is the core of the synthesis of the methodological choices here. The synthesis adopts the idea that the role of language varies in the different approaches. Hence, the relationship between meaning and language can be understood in a number of ways, but two main approaches are distinguished in this context: *the intentional and the constructionist*. (See Figure 5).

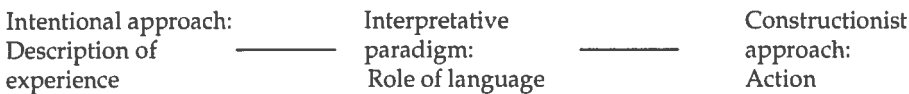


FIGURE 5 Synthesis of the methodological choices

Although Figure 5 illustrates the approaches in the form of a dichotomy, it is important to note that the division between them is ambiguous. They should preferably be located on a continuum instead of being pictured as a dichotomy. The specific articles are positioned so that the first and second one draw mainly on the intentional approach, and the third and fourth on the constructionist approach.

The intentional approach focuses on human experience and derives its definition of intentionality from phenomenology (Saarinen, 1989). Its core idea is that human experience is characterized by intentionality. From the viewpoint of this dissertation, the relationship between a business manager and the downsizing action can be regarded as intentional by nature. The manager constitutes the world in a meaningful, or intentional form, and shapes its meanings intentionally within the realm of his or her own experience (Morgan & Smircich, 1980, p. 494). Experience is always about something, some object, and the same object – for example, downsizing – may have different contents of meaning for different actors. The actor's consciousness of the experience, thus, plays a major role in meaning creation¹³. The intentional approach concerns the relation between the intended meaning and the way that meaning is expressed through language. Consequently, *language is understood here as a means of transmitting the contents of meanings to others*. According to the intentional approach, in using language and speech to describe experiences, a business

¹² For example, Tesch (1990) argues that there are over 30 different approaches.

¹³ According to the intentional approach, we acknowledge the existence of different levels of consciousness. Here we focus on the level which can be expressed and discussed by people in speech. Further, it is emphasized here that the experience described through language in speech is constituted in the activities of social communities (Schutz, 1980).

manager is actually describing his or her intended meanings. Thus, the first and second articles of the dissertation deal with the various ways in which managers experience the downsizing phenomenon and how these experiences are constituted and described by him or her.

The intentional approach is used here for a descriptive investigation of the content of downsizing as constituted by the business manager. The adopted approach is reproductive rather than productive: what I am trying to reproduce here is the meaning that was originally intended by the manager. Consequently, his or her willingness to speak of these experiences is a key factor as regards the research method and its trustworthiness. A crucial requirement is that the manager must be able to describe what he or she experienced and felt, and to do this as openly and precisely as possible (Kvale, 1996, p. 53). Consequently, in-depth interviews were considered an adequate research method to meet this requirement, and are used in the first and second articles. Further, the interviewer's ability to conduct an open interview is essential for the trustworthiness of the research. The applied interview techniques and the interviewing process must therefore be described and reported in detail. This was done in the licentiate thesis (Lämsä, 1998a, pp. 74–76, 83–87)¹⁴.

The intentional approach can be criticized for not paying much attention to the constructive effects of language. It shifts the main attention from communication itself to the individual communicators. On the other hand, the constructionist approach, which is applied in the third and fourth articles, strives to emphasize those very effects. In the constructionist tradition, the recognition of intention is not as central as in the intentional approach. Instead, its methodological basis lies in ethnomethodology (Heritage, 1996) and discursive studies (Fairclough, 1998; Potter and Wetherell, 1998). The constructionist approach, then, is productive rather than reproductive: *it presumes that we construct the social world of meanings by means of language*¹⁵. People produce and transform human communities through the use of language. Consequently, meanings – for example, the meaning of downsizing – are created in communication and interaction. According to the constructionist

¹⁴ A catalytic interview technique was applied in the interviews. Further, the interviews were based on the idea that it is better to ask fewer questions and to concentrate on them intensively than to ask many detailed questions. All interviews were tape recorded and transcribed word by word. The report of the interview process in the licentiate thesis shows how the level of the interviewees' reflections deepened during the interviews. In some cases the interviews seemed to have a partly therapeutic impact on the managers, although this was not the purpose. It implies that the managers may not have had many possibilities to reflect on and speak about their experiences earlier, and the research interview offered them such an opportunity. However, it may be possible – although the intentional approach does not emphasize such an idea – that an in-depth interview situation is interpreted as a therapeutic session by the interviewees and, consequently, they begin to behave according to the expected requirements of such interpretation (cf. Alasuutari, 1994, pp. 129–130). Moreover, the catalytic type of interviewing may intensify that kind of interpretation.

¹⁵ For example, Fairclough (1998, pp. 1–2) contends that social sciences have earlier lacked interest in language, but their position and attitudes are changing. He speaks of “a linguistic turn” in social theory, which has resulted in language being accorded a central role within social phenomena.

approach, language is not only about experiences but also an action in itself. It constructs the object, in this case downsizing, as well as the actor, the business manager, in a variety of ways. The construction depends on the functions and the context of communication and interaction. Hence, not only the contents of experiences but also the actual act of communication is of interest in the third and fourth articles of the dissertation.

In the third article, the idea of the constructive effects of language is applied in an attempt to find out what kind of explanations a manager produces when he or she is “forced” – through the pressure of interaction such as the interviews between him or her and myself, the researcher – to justify or make sense of the act of downsizing. The method chosen for the third article is phenomenological-ethnomethodological reading, and the explanations are studied by means of in-depth interviews. Since the aim is to study how people make sense of the world in an interaction, the qualitative interview method can be considered an appropriate methodological choice¹⁶.

The fourth article applies discourse analysis as its method. Since the study focuses on the societal level, it requires empirical material that represents the social world of business managers in Finland as comprehensively as possible. To get such a broad view, the empirical data selected for study comprise articles on the topic of organizational downsizing published in Finland in a leading business newspaper and major business magazine. The choice is well grounded since the media are regarded as a powerful force in the production and transformation of meanings, as well as in constraining and opening up public debate in contemporary society (Fornäs, 1998). The media are an important source of information and knowledge and, thus, act both as a cultural resource and as a cultural constraint with regard to the way business people think and act.

¹⁶ Here we have to note that some researchers stress that “naturally occurring” data would be a better choice (Silverman, 1994). However, such data were not used here, partly because, in practice, a downsizing situation is easily affected by conditions of crisis. An “outsider” such as a researcher may aggravate the crisis, which is not the purpose of research. Basically, the question of the kind of data that is convenient in ethnomethodology depends on the kind of interaction being analyzed. If the target is to analyze the explanations given in an interview situation, as is the case in the third article, interview data can be considered a convenient choice.

3 REVIEWING THE CONTRIBUTION OF THE ARTICLES

3.1 Study 1: Downsizing and ethics of personnel dismissals – The case of Finnish managers

Actor(s): Two Finnish business managers in the same business branch.

Object: The decision-making experiences concerning personnel dismissals in downsizing organizations.

Theoretical framework:

Utilitarianism, deontology, an ethic of care (Gilligan, 1982), models of ethical decision-making (Jones, 1990; Trevino, 1986).

Methodological approach:

An intentional approach, specifically that of phenomenological hermeneutics.

Method: In-depth interviews, a hermeneutic process.

Level of study:

Individual.

This article aims at a theoretical conceptualization of a manager's experiences of decision-making concerning personnel dismissals in downsizing organizations. Two case managers were interviewed to illustrate how business managers may experience a downsizing situation. The study reveals four ways of constituting such managerial experiences, which can be characterized by the following roles: the role of a rational manager, an independent manager, a marionette, and an emotional individual. I make a distinction here between the formal and the humane frame of decision-making. The former frame is constituted by the roles of a rational and an independent manager, whereas the latter is constituted by the roles of a marionette and an emotional individual. It is proposed here that the emotion of empathy is a particularly important issue that should be studied further in business ethics research.

Rather than using a strictly analytic theoretical framework of ethical decision-making, the article explores the managers' experiences starting from the ground level and proceeding upwards, and applies several theoretical frameworks. The starting point is the world of the actor and the focus is on the ways in which the actor – the manager – describes the experiences. The theoretical conceptualization of the experiences aims at consonancy with the world as experienced by the manager. A further contribution of this application is that it opens up new perspectives which may be easily ignored if we use a more strictly theoretical framework as the study's starting point. The chosen theoretical background of the article is thus heuristic in the sense that it provides a loose framework for exploring the issue, but leaves enough room for various other phenomena to emerge during the research process. However, despite the usefulness of such heuristic background, the study shows that it is limited by the difficulty to manage various theories and frameworks in a coherent way, let alone to identify those suitable for a particular study. Consequently, the findings are constrained in the sense that they describe the phenomenon comprehensively but not as deeply and coherently as would be the case if a single theory were applied. Despite this limitation, the choice is justified here since the study deals with an unexplored area. Its important advantage is that it allows "fresh" and unexpected knowledge to emerge, such as the empathy and care experienced by the managers in this study.

The main contribution of the article is that it reveals the importance of empathy and caring for the dismissed employees in the moral experience of a manager. The study shows how the manager – the caregiver – personally experiences a connectedness with the dismissed – the object of care. The manager feels it morally important to see to it that the dismissed individual is not treated only as a means but also as an end, in a way that takes into consideration how that specific person wants to be treated in a dismissal situation. So, the focus in caring is the dismissed person within the context of his or her own world, not that of the manager. For example, one of the case managers describes an initial sense of fear of facing the emotional reactions of the dismissed employees. But then, the manager gradually learns to listen to the dismissed people themselves in order to understand how their needs should be met. (Lämsä, 1998a, pp. 172–174). It is an experiential learning process for the manager, which may cultivate a culture of caring.

It is proposed that it is morally important to care for the dismissed persons so that they are treated in dignity. Care is produced in a mutual communicative process between the manager and the dismissed individual, in which the needs of both parties are continuously negotiated. It is a learning process which may develop into a culture of caring.

Furthermore, the results of the study imply that empathy is a central emotion in caring (also Lämsä, 1998a, pp. 162–166). This implication lends empirical support to Goldman's (1993, p. 356) theoretical suggestion which argues that care stems from empathy.

It is proposed that the emotion of empathy provides an important social glue which helps the manager to understand the needs of the dismissed person and to care for her or him in a way that is suitable in a given context. The ability to feel empathy provides a basis for such moral imagination which encourages a person to focus on other people's perspectives rather than on one's own.

Hardly any attention is paid to empathy and care, either in the applied ethical framework of the article or in the downsizing literature; instead, these concepts are largely passed over in silence¹⁷. Especially the applied ethical decision-making models of Jones (1990) and Trevino (1986), which deal with social behaviour, are vulnerable to criticism. Jones contends that moral intensity requires the proximity of the moral issue, the feeling of nearness that the moral agent has for the victims. However, he does not discuss the phenomenon in more detail, although he does remark that proximity can encourage helping behaviour. Trevino, for her part, points out that assuming the role of others, such as taking account of the standpoint of other people, is important for moral development. But then, she pays no further attention to the mechanisms of the phenomenon. Moreover, the philosophical ethical theories applied in the study, utilitarianism and deontology, do not seem to feel comfortable with emotions, although the deontological Kantian imperative to always treat people as an end and not merely as a means can be associated with the principle of care. However, the Kantian imperative would require treating a dismissed person as a generalized other, whereas the principle of care requires treating him or her as a concrete individual with specific needs (Liedtka, 1996, p. 181).

The ethic of care is concerned with the role of caring in morality. One of its main advocates, Carol Gilligan (1982), claims that women have a moral orientation that focuses on caring for other people rather than abstract principles, which is men's way to orientating to ethics. However, based on the findings of this study, her view that caring is a characteristic of women requires specification. The study shows that it is also a characteristic of men, specifically of male managers in the present context. If we were to argue it to be a women's feature, we would easily objectify our sex-role expectations and begin to treat them as the real "truth" rather than as social constructions and as a dynamic phenomenon, like assumed in the integrated framework. So, the advantage of this study is that, instead of trying to figure out whether care is a characteristic of female or male managers, it focuses on the caring process itself in a particular context. The relevance of such a perspective is that it makes the phenomenon of care open to both genders. Thus, it interferes with the traditional idea that care belongs to women. In other words, care is not collectivized and reified as only a

¹⁷ I do not argue here that ethical theories do not discuss empathy and care. Goldman (1993) notes that the philosopher Arthur Schopenhauer, for example, believed that compassion and empathy are the predominant motivation in our lives. The concept is also used in moral psychology (Payne & Giacalone, 1990). Furthermore, the concept of care is applied broadly in the field of women studies. However, in the current literature on business ethics and particularly managerial ethics the concepts are not often mentioned. Typically, such literature focuses on the traditional principles of utilitarianism, deontology, rights, and justice, or seeks at illustrating practical advice for management. The downsizing literature lacks the emotional perspective of the manager.

woman's way of acting, since such orientation can easily trivialize the experience world of the actor – in our case the female or the male manager.

Moreover, the study demonstrates how managers compartmentalize their behaviour into different frames of morality. Care is transferred by them into their private sphere of life from the formal role of the manager. This finding gives evidence that the downsizing situation requires silencing the experience of caring in the formal and public sphere of management. In other words, the possibility for the emergence of caring is restricted from the formal and public managerial role.

It is proposed that the transference of caring in the managers' descriptions to the private sphere of life is a way of marginalizing the perspective of care in the formal managerial role and making efficiency the dominating perspective. This may lead them to overlook the human and social nature of the managerial role and can result in employees being seen as only a means and as peripheral to a firm.

The important contribution of the article is that it makes care and empathy visible and thereby gives us a better understanding of the relationship between the business manager and the downsizing operation. The emotion of empathy, which, as this study implies, may enhance the moral imagination and thus encourage the manager to consider the perspective of the dismissed people and the effects of his or her decision-making on them, is an important issue to be investigated in more detail in the future. Such empirical research would also be of significance to the development of further business ethics theories and frameworks.

The finding of this study lends support to the suggestion made by Martin Hoffman who argues that the roots of morality are to be found in empathy, since it is empathizing with the potential victims - dismissed people – and so sharing their distress that potentially moves managers to act to help them (Goleman, 1996, p. 105). To be able to handle dismissal situations in a proper and ethically sound way require the manager to value and understand people and their emotions. Such a way of acting is described by Goleman (2000, p. 84) as an affiliative leadership style. He suggests that leaders should employ it particularly when trying to repair broken trust and damage. Moreover, Goleman (1996; 1998) suggests that empathy is a fundamental feature in working life and is an important part of his concept "emotional intelligence". From this line of thought we can say that managers who are empathic are more attuned to the subtle social signals what indicate what dismissed people need. For example, Robert Greenleaf (1977) suggests in his theory of servant leadership that leadership must first and most meet the needs of others. So, the fundamental motivation for leadership is a desire to serve other people and servant leaders appreciate, value, and care for their constituents. Empathy is then a crucial element of servant leadership (Russell, 2001; Spears, 1998; Törrönen & Lämsä, 2000).

The practical contribution of the article is not only in that it shows that managers do experience caring and empathy, even though transferred in their descriptions to the sphere of private life. Apart from this, the article also

contributes to practice in two ways. First, it shows that in addition to the moral perspective of caring, also the moral perspective of justice is an important issue for the manager with regard to whether people are treated with dignity and fairness in a practical dismissal process. The perspective of justice helps the manager to observe fair procedural rules in the dismissals and to base his or her decisions on fair and proper arguments in relation to all the employees of a firm. The perspective of care, on the other hand, helps the manager to focus on the needs of the dismissed people.

It is proposed that the ethical perspectives of justice and care stand in a relationship to one another and both are needed in a dismissal process so that the dismissed people are treated with dignity and fairness. The perspective of justice helps the manager to focus on the fairness and equity of the decision-making arguments and on the fair rules of the dismissal process. The perspective of care helps the manager to understand what needs of the dismissed individuals can be met and how they can be met according to the principles of justice in a particular dismissal situation (cf. Liedtka, 1996, p. 195).

If caring were publicly acknowledged as belonging to the formal managerial role, it might be easier to accept the uncertainty, conflict and ambiguity of a dismissal situation. Such acceptance could have effects not only on the employees' well-being but also on the well-being of the manager him- or herself, since uncertainty and emotionality would then be taken as a natural part of the managerial role. Moreover, this would require that the manager also takes care of him- or herself and is cared for by others to avoid the risk of his or her own "burnout" (Lämsä 1998a, pp. 166–168, 177–178). To care and to be cared for, thus, requires that the formal managerial context should become more permissive regarding this emotion.

Second, the study shows that empathy and care enable managers to understand that their decisions have a powerful impact on the lives of dismissed people, which can threaten the well-being not only of those dismissed but also of their families and friends. Managers who are able to care and feel empathy experience that downsizing has effects which do not fall within the scope of their formal responsibility, but, rather, that the power they use in decision-making reaches much wider human spheres. There is an imbalance between the human and social effects of power, on one hand, and the formal obligation to achieve efficiency through downsizing, on the other. This also creates the responsibility to attempt to correct the incurred human and social harm as well as possible. Here we come to the moral argument of care-responsibility for such practical supportive actions of downsizing as severance pay, outplacement programmes, psychological counselling, and so on. Such support is often requested but not often backed by sufficient argumentation in, for example, human resource management (HRM) literature (Laakso-Manninen, 1998). The study implies that care and responsibility are important not only from the viewpoint of the corporate image but also from the viewpoint of the conflict between the formal responsibility and the human and social effects of managerial power.

It is proposed that empathy and care enable managers to understand the extent of their use of power and the wide responsibility they have for decision-making in relation to numerous people. Such understanding calls the manager to account for practical supportive HRM actions in a downsizing situation to make the managerial responsibility more proportionate to the use of power.

3.2 Study 2: The nature of managerial commitment to strategic change

Actor(s): Twenty-five Finnish business managers in different business branches.

Object: The experiences of managerial commitment to downsizing.

Theoretical framework:

Models of commitment (Meyer & Allen, 1997; Randall, 1987), an ethical framework of optimal trust (Aristoteles, 1981; Wicks et al., 1999).

Methodological approach:

An intentional approach, specifically that of phenomenological hermeneutics.

Method: In-dept interviews, phenomenological method (Giorgi, 1985), hermeneutic process.

Level of study:

Individual.

The starting point of this article lies in my licentiate thesis (Lämsä, 1998a), which triggered the idea that managerial commitment to such a morally problematic question as downsizing may not be a self-evident issue, particularly in a Finnish context. The article, then, explores the nature of managerial commitment to strategic change, in particular to downsizing and quality improvement. The study assumes that a moderate level of commitment is realistic and prudent with respect to the ethical dimension of commitment. The primary aim in the study is to develop a theoretical framework for managerial commitment to change. Two main conceptual dimensions of commitment are proposed: reward-based and trust-based commitment. Then, on the basis of these dimensions a theoretical typology of four kinds of commitment is developed, namely: passive, calculative, trustful, and balanced commitment. The results of the study indicate that much more emphasis should be put on trust-based commitment for both ethical and economic reasons than has been suggested in prior research.

The adopted definition of commitment as “a psychological bond” between a manager and organizational downsizing offers an exact concept to be investigated in this study. Hence, managerial experiences of downsizing are interpreted using this concept and applying the intentional approach. The study does not draw on a specific theoretical model but, rather, on various theoretical insights concerning commitment. In other words, the advantage is that it does

not “lock” the nature of commitment to a single conceptual model. By means of several frameworks in a dialogue with the practical experiences of managers, it allows new and fresh knowledge to emerge. In this study, such knowledge refers to the role of trust in managerial commitment and to the idea of a moderate level of commitment as ethically good.

According to Wicks et al. (1999), the issue of trust has been largely underappreciated within the management literature¹⁸. In particular, the previous literature has paid insufficient attention to the dynamics of trust. The central contribution of this study is that it demonstrates the importance of trust in managerial commitment to downsizing and shows what kinds of elements may be relevant to the process of trust formation. Moreover, viewed from the practical business world, the study helps us to understand that managerial trust plays a significant role in the downsizing practice and that coordinated managerial action would be impossible without some level of the managers’ trust. The study further implies that trust may be a complicated and not always a self-evident issue when it is a question of middle and upper-level managers. It is possible that they may not interpret the appropriateness of downsizing in the same way as top managers do. However, this aspect calls for further clarification in future studies.

The importance of trust is not given much emphasis in the applied theoretical models of commitment (Meyer & Allen, 1997; Randall, 1987), but rather, trust is marginalized in them. The article argues that the dominating assumptions in the frameworks include individualism, rationality, the consequentialist nature of thinking, and the belief that people are self-interested. These assumptions, however, are contrary to what the article demonstrates about the nature of trust. From the perspective of the integrated framework applied in this dissertation, we can say that such assumptions easily objectify, even reify, the view of the manager as “a utility-maximizing, self-interested, and rational object”. The view easily becomes an underlying, invisible, and taken-for-granted assumption in research and social practices, and is thus difficult to put under reflection. An advantage of this study is that it makes the phenomenon of trust visible. Additionally, it reveals that trust cannot always be controlled, but instead, that it also involves emotional, moral, and communal features which are partly implicit but which enable the manager to move in the direction of faith and reliance.

The proposition is that we should include implicit emotional, moral, and communal features into our assumptions in commitment research so that we do not objectify a human being but rather have a holistic and dynamic view of him or her.

¹⁸ The concept of trust has, however, received more attention lately in organization studies (Hosmer, 1995). Also some studies of commitment in a downsizing situation are interested in the concept (e.g. Armstrong-Stassen, 1998a; Mishra & Spreitzer, 1998). In general, the focus on managerial commitment to downsizing is largely absent, although Armstrong-Stassen’s (1998a) research, for example, has such a focus.

Furthermore, the study shows that managerial commitment to downsizing is not a “simply-constructed” phenomenon in a Finnish context. From the perspective of the integrated framework, we can understand that it cannot be explained as being a context-free phenomenon as the above-mentioned frameworks presume, but instead, that it is context-dependent and needs to be understood as such. So, in a Finnish socio-cultural context, the issue of trust – and, particularly, a possible mistrust of the appropriateness of downsizing – may have a stronger impact on the manager’s meaning creation than in another kind of environment.

It is proposed that if we only rely on models that seek to explain managers’ commitment to downsizing in terms of universal laws that are context-free, we easily simplify the complexity and unique nature of their experiences in a specific cultural setting.

The article’s idea that a moderate level of managerial commitment is ethically good is a valuable notion, since it reveals a different, alternative perspective to the commitment literature which, in general, is based on the assumption that a high level of commitment is good¹⁹. The study demonstrates that high-level commitment to downsizing is not something that is self-evident, nor is it always even desirable. The advantage of this view (Aristoteles, 1981; Wicks et al. 1999) is that it helps us to see that there can be different types and levels of managerial commitment which can have positive or negative consequences. So, the study lends empirical support to Randall’s (1987) theoretical proposition that varying levels of commitment may be appropriate. In this study, the evidence refers to the practical consequences of downsizing as a corporate change strategy.

From the ethical perspective, the idea of a moderate level of managerial commitment, drawing originally upon Aristotle’s ethical work on the Golden Mean (Aristoteles, 1981; Boatright, 2000, pp. 62–67), opens up important ethical avenues. The requirement of a high level of commitment of any kind solely promotes the legitimacy of downsizing, that is, the manager is wholeheartedly committed to the value basis which emphasizes efficiency. In other words, any form of commitment endorses the appropriateness of such action and thereby its dominance over other alternatives. Hence, possible disagreement about the appropriateness of downsizing is easily ignored.

It is proposed that the assumption of high-level managerial commitment to the goals of downsizing easily ignores the diversity of alternative perspectives and encourages the manager to take the phenomenon as given. Consequently, the manager becomes easily “locked” into one reality, that of continuous downsizing.

¹⁹ Randall (1987), however, points out that a major treatise on the disadvantages and dangers of overcommitment entitled “Organization Man” was published a long time ago already by White (1956). She further argues that despite White’s contribution, the topic of commitment is still after a high level of commitment.

So, the advantage of the idea of moderate managerial commitment is that it provides a theoretical foundation for challenging and revealing the assumption of the appropriateness of downsizing. The acceptance of moderate-level managerial commitment may help managers to avoid identifying fully with the goals of downsizing. It may also help them to observe the binding nature of the Finnish social contract which values full employment and social responsibility for the workforce. Moreover, the problem in high-level commitment is that it may easily “paralyze” a manager in relation to the phenomenon of downsizing and thus make him or her less sensitive to the new, dynamic challenges of the environment.

I propose to make an extension here to this article and draw also on the findings of the first one, to ask what are the possibilities of a specific manager to show moderate-level commitment in an organizational context. It would be important to know the acceptable extent of social space which would allow moderate managerial commitment to emerge in a downsizing organization, which, as the first study demonstrates, involves an emphasis on efficiency goals, need for rapid action, and pressure from other people. These are elements which typically push managers to unity and consolidate a “tunnel view”. This issue requires further and also more critical clarification in the future.

The study implies that managerial commitment to downsizing grows from three sources: managers commit themselves because of a lack of alternatives, because of personal benefits, and because they have trust in the good communal goals of downsizing. Although the study reveals the relevance of an emotional aspect in commitment formation, its limitation is that it does not reflect upon the issue more thoroughly, which would be all the more important as the issue is often marginalized in the managerial literature. It may be possible, although this was not studied in the article, that the underlying emotion behind high-level commitment is fear – for example, a fear of losing one’s social and financial status if one fails to show a high level of commitment. Thus, I here make an extension to the article and suggest that this idea should be explored in more depth in the future. Especially the issue of managerial exits in a downsizing situation could be fruitful in this regard.

3.3 Study 3: Organizational downsizing – An ethical versus managerial viewpoint

Actor(s): Four Finnish business managers in three different business branches.

Object: The explanations for organizational downsizing.

Theoretical framework:

Utilitarianism, deontology, impression management (Konovsky & Jaster, 1989; Goffman, 1963).

Methodological approach:

A constructionist approach, specifically that of phenomenological ethnomethodology.

Method: In-dept interviews, a hermeneutic process.

Level of study:

Organizational.

The aim of this study is to contribute to theory by generating conceptual themes regarding managerial explanations of downsizing as an organizational-level phenomenon. The study was motivated by a prior finding during the research process, which implicated that the acceptance of downsizing might not be self-evident within a Finnish context. Therefore, the study focuses on the kind of explanations that business managers use to describe the appropriateness of downsizing. Further, it is assumed that in such a controversial situation as downsizing, the manager may have a tendency to use the explanations for the purpose of controlling the impressions others have of their morality. Thus, I apply the concept of impression management in the study. The findings show that managers tend to emphasize efficiency and use economic explanations. Moreover, they seek to maintain their public image as rational actors and also stress their duty of professional loyalty. With regard to their ethical orientation, the study indicates that they attempt to combine the utilitarian orientation of their organizations, as interpreted from an economic and efficiency perspective, to the deontological duty of obedience and loyalty.

The study applies the constructionist, and specifically the phenomenological-ethnomethodological approach, which assumes that language not only presents but also constructs the social world of the actors. It demonstrates how the manager attempts to make sense of downsizing in explaining its appropriateness and his or her own role in it in the interview situation. The advantage of this approach is that it reveals the typical and taken-for-granted managerial ways of justifying downsizing within the culturally constructed system of values, norms, beliefs, and definitions. Furthermore, the study not only shows the kinds of explanations used by the managers to convince the interviewer of the necessity of downsizing, but it also implies that language can be utilized as a powerful instrument in arguing for the appropriateness of the phenomenon.

It is proposed that managerial explanations of downsizing have two main functions (cf. Lamertz & Baum, 1998): they are a source of the appropriate managerial moral order and they act as the manager's face-saving device.

With regard to the view that the managers' explanations are an important source of a managerial moral order, the study shows that they reduce uncertainty in a morally problematic situation, as the manager tries to conform to the expectations that he or she believes to be acceptable and useful. The emphasis on the corporate perspectives of efficiency and economy allows the manager to establish the normality of the downsizing practice. The meaning of downsizing is constructed through such conventional and persuasive

explanations which belong to typical and "safe" managerial language. Additionally, the explanations enable the manager to construct a legitimate moral identity. In other words, these explanations of the obligation to show obedience and follow the corporate rules function as a linguistic strategy for demonstrating the appropriateness of the manager's own action. They give a meaning to the action by framing it within the system of acceptable managerial beliefs and insights concerning downsizing.

Moreover, the study suggests that the explanations also serve a face-saving function by making the manager's action look blameless, moral, and rational. When there is a threat of being put to scorn or of breaking against the traditional moral order, it is valuable to try to save one's face. The study implies that the face-saving function gains relevance with regard to issues not fully controlled by the manager. This implication is consistent with the argument of Palmer et al. (1997, p. 634), who contend that external "determinist" explanations can serve as a face-saving device in justifying one's action.

The applied concept of impression management (Konovsky & Jaster, 1989) requires an extension here. The concept is traditionally defined as the process whereby people try to control the image others have of them, and which is often used when people in ethical predicaments attempt to control damage through different kinds of defensive explanations (Giacalone et al., 1998). This approaches the dramaturgical perspective originally presented by Goffman (1963), whereby social actors use impression management behaviour to create and maintain particular identities and "truths". Consequently, the traditional impression management approach, which derives from Goffman's idea, involves an assumption that there is a "real truth" which may be concealed, if necessary, by a person through the use of an impression management device.

However, rather than understanding the explanations as a device for hiding the "real truth", they are considered here as the manager's attempt to place his or her action within the range of comprehensible and, therefore, "normal" behaviour. This kind of view helps us to understand the managerial explanations in a wider sense, that is, as the habitualized way of thinking and acting in a controversial situation. So, we can avoid the narrow and static interpretation that the explanations are merely an individual's device for creating a favourable image, acting like an actor on the stage.

This interpretation has two main advantages. First, it contributes to the impression management concept by pointing out that the functions of language can be understood in a more flexible and dynamic way than has been the case. In other words, language can be used for the purpose of creating a good impression, but there are additional ways of using language which arise from broader concerns and people, thus, perform a range of different acts in their speech (Potter & Wetherell, 1998, p. 37). Second, this interpretation contributes to view that managers themselves possess full potential for diversity and learning. The manager is not merely a reified actor who wants to save his or her face or please an audience, but also a person capable of dynamic and creative ways of thinking and acting, provided that the social space and the organizational context are permissive in this regard.

It is proposed that the managers' explanations of downsizing based on efficiency and economic reasons and on the managerial obligation of loyalty to the company goals easily silence the diversity of other perspectives and lead to embracing downsizing as the single alternative. This way of using language upholds the appropriateness of downsizing and can result in accepting the phenomenon as a taken-for-granted practise.

There is, thus, a self-reinforcing mechanism embedded in the managers' explanations, which may make the phenomenon of downsizing a habitualized practice and resource in managerial thinking and acting. It is then difficult to detect other options, let alone to effect changes, if needed. By making such explanations visible we can understand that the use of language is a powerful means of legitimating a particular version of reality and making it dominant. Here, too, I make an extension to the article and suggest that the question of how and from where other alternative ways of thinking and acting could emerge should be investigated in future research.

Furthermore, as the first study demonstrates, the care perspective can provide important insights to understanding the downsizing phenomenon that are not typical of the formal sphere of the manager's role. However, the characteristic managerial language tends to marginalize the feelings of care and empathy, as emotions in general, which poses a challenge to research on the downsizing-ethics interface to reveal these typical perspectives of language use. Besides research, such as this dissertation, and the managers themselves, also the business media can have an important influence in this regard. The media, in particular, are a powerful force in society for opening up new avenues for discussion.

3.4 Study 4: Organizational downsizing and the business manager in a Finnish context: A discourse analytic framework and its application

Actor(s): The business manager, and specifically, the identities of the manager as constructed by a major Finnish business newspaper and magazine.

Object: The discourses of organizational downsizing.

Theoretical framework:

A discourse analytic framework with four principles derived from social constructivism and linguistics (Berger & Luckmann, 1966; Fairclough, 1998, 1995; Gill, 1993; Heritage, 1996; Phillips, 1991; Potter & Wetherell, 1998).

Methodological approach:

A constructionist approach, specifically that of a discourse analysis.

Method: Textual and interpretative analysis of newspaper and magazine articles dealing with organizational downsizing and (Fairclough 1998; 1995), a hermeneutic process.

Level of study:
Societal.

The fourth article is based on the idea that organizational phenomena such as downsizing are not only defined at the organizational level, but that they are also produced by societal-level forces. These forces act both as a cultural resource for and a constraint to managerial thinking and acting. The assumption is that the mass media are among the most powerful of these societal-level forces, particularly the business press with respect to business people in contemporary society. The study seeks to contribute to our understanding of the discursive construction of organizational downsizing and the related identity of the business manager as constructed by the articles of a major Finnish business newspaper and magazine. The study shows that four discourses are used to constitute downsizing into being in the articles, namely: the discourses of self-evidence, concealed salvation, damage control, and exploitation. The manager is given the respective identities of a middleman, a heroic rescuer, a hidden actor, and a silent party. The study demonstrates that there is one perspective which is favoured above the others, that is, that downsizing is not questioned but accepted as a given practice, a self-evidence. The varying managerial identities emphasize the view of an actor who is blameless in relation to the decision-making on downsizing. The underlying assumption in the discourses, then, is that downsizing is an efficient change strategy for improving the operations of a company. Moreover, the downsizing decision is presented as being made by a faceless collective. It is proposed that if we are to question the continuous occurrence of the phenomenon, the use of the imaginative storytelling tradition, the narrative, can serve as a valuable device.

The study investigates the relationship between downsizing and business managers by making use of several theoretical approaches, and thus the applied analytical tool and the developed discourse analytic framework derive from various disciplines. The framework with its four principles emphasizes the role of discourse in the construction of objects, identities, and systems of knowledge. The advantage of the study is that it shows the promise of the constructionist approach in the form of a discourse analysis, not only for revealing the contents of the underlying assumptions in the texts but also for revealing the linguistic mechanisms that produce and maintain such assumptions. So, by making the underlying assumptions visible, the framework provides an analytic methodological approach for making the studied phenomenon of downsizing potentially open to change. However, its limitation is that the link between the discursive practices in the texts and the social practices in the business world remains unclear. Consequently, I suggest here that such link calls for more detailed clarification in future studies.

Furthermore, although the article assumes that the business media are a powerful force in maintaining and creating meanings among business people

and, hence, influence their thinking and acting, such assumption can be criticized since we cannot know how powerful the business press actually is in this regard. Managers have to deal with an overflow of information in their work, and the assumption that the business press is the central source of their knowledge and learning is probably only partially true. The role of consultants, business schools, and textbooks, for instance, is also significant in this respect. The article suggests that especially the textbooks of business schools would be an important subject to investigate in the future, since they influence the interpretative frameworks of business students and, later on, of business professionals in a very fundamental way. For example, it would be interesting to study systematically whether the textbooks pay attention to the complexity of downsizing and the moral problems involved, or whether they present a simplified view of the phenomenon.

It is proposed that not only the business press but also consultants and business schools are powerful societal-level forces that influence the business managers' view of downsizing. Consequently, the content of downsizing and the ways in which it is constituted is an important topic to be studied in the future.

Furthermore, from the ethical perspective, the study implies that although the articles contain varying discourses, their core message derives from one assumption: that downsizing is the most efficient change strategy for improving the operations of a company. The representations support the values related to downsizing, and the discourses, thus, fall within the same predominant linguistic strategy. The dominating position is that the benefits gained and the damage incurred are concepts that refer to efficiency and economy, and they are, therefore, evaluated from the viewpoint of a firm's financial figures. There is no serious discussion, for example, about the social and human harm resulting from downsizing.

Furthermore, the varying discursive ways in which the identity of the manager is constructed as someone unidentified and not to blame for the decision-making, serve to make the responsibility for the consequences of downsizing invisible. Hence, the manager is represented as non-human and objectified (Berger & Luckmann, 1966), and the social nature of the managerial role is hidden. The study, thus, lends empirical support to the suggestion by Phillips (1991, p. 793), who argues that objectification and reification of roles results in the abdication of responsibility. From the viewpoint of ethics, this may lead to such behaviour in which the responsibility to care for people and to take a broader circle of stakeholders into consideration may be neglected. Moreover, the construction of downsizing as a given practice reinforces the dispelling of responsibility.

It is proposed that such language use that represents the business manager as non-human and faceless, and downsizing as a taken-for-granted practice, contributes not only to making managerial responsibility for downsizing vague but also to ignoring the diversity of perspectives such as the human and social harm caused by downsizing to people. Such use of language can lead to downsizing being accepted without hesitation as a normal business practice.

The article implies that if we are to consider the social and human consequences and the appropriateness of downsizing, we need to question the assumption that downsizing is always an efficient change strategy. The first step is, then, to reveal that such an assumption exists. As noted earlier, the contribution of the developed discourse analytic framework is that it offers a methodological device for making the assumption visible and, thus, potentially open to reflection and change.

But, we should also consider what we mean by efficiency in a downsizing situation. The crucial question is whether efficiency can be interpreted from a perspective that stresses only the short-term economic consequences. Is it possible, for example, when it is a profitable firm that implements the downsizing, to ignore that the local social contract is binding? Can firms use their resources – such as their employees – only as a means of seeking more profits? Such an interpretation sees employees as mere replaceable objects. Taken to its extreme, this can result in a world in which self-interest denotes survival and, therefore, must dominate all decision-making (Liedtka, 1996, p. 186). If we continue this line of thought it may result in the notion that people and firms are “enemies” to each other rather than cooperators with one another (Burton & Dunn, 1996, p. 134; Törrönen & Lämsä, 2000, p. 10).

It is proposed that in order to question the assumption that downsizing is a normal business practice for achieving efficiency we not only have to reveal that such an assumption exists but also have to rethink the definition of efficiency.

As suggested by the first and second articles, the concepts of care, empathy and trust may offer fruitful ideas in rethinking the definition of efficiency and determining when it is sensible to discuss the issue. Moreover, such concepts could help us to understand business as being based on on-going relationships between people, where cooperation, a recognition of common goals, and consideration of the role of the various stakeholders are regarded as important elements (Burton & Dunn, 1996; Dobson & White, 1996; Liedtka, 1996).

If we are to stress the importance of emotions such as empathy and care it is now possible – and necessary – to ask how these emotions could be nurtured among business professionals. Both the third and the fourth articles imply that language use is a powerful means, not only for maintaining particular versions of reality, but also for transforming them. Moreover, both articles show that the traditional managerial language aims at sustaining the specific version of reality in which downsizing is easily accepted as a normal practice for achieving efficiency.

However, this fourth article gives a clue that the storytelling tradition, the narrative, can offer an alternative way of creating meanings, since it allows emotional and moral experiencing of the phenomenon in question. The data of this article show that whenever narratives were used to describe the downsizing phenomenon or its consequences, it was done in a creative and imaginative way. Thus, although such voices in the newspaper and magazine data are quite rare and often silenced, they are nevertheless present. Stories about the personal experiences of identified, specific individuals and the way

that they are affected by downsizing action encourage the use of the imagination and may also nurture feelings of empathy and caring. The use of personalized narratives illustrates the existence of other, human and social aspects that should be considered besides the managerial perspective which places primary emphasis on economic and efficiency perspectives.

It is proposed that storytelling – the use of narratives – is an influential way of creating alternative meanings of and perspectives to downsizing compared to the traditional managerial language. Consequently, their use could help managers to reflect on the appropriateness of downsizing and not to take it for granted.

Narratives that can be used to illustrate the existence of diverse perspectives to downsizing may be stories about the experiences of the business managers themselves or of the dismissed people, of employees who continue to work in a downsizing company, of family members, employment authorities, and so on. It would be particularly important to listen to many different kinds of stories, and then to rethink the various ways in which efficiency can be understood. However, following the idea of reasonableness we ought to remember that instead of a single narrative we should have several narratives, so that their messages can be considered in relation to one another. This might enhance the moral imagination of the actors.

4 CONCLUDING REMARKS

The starting point of this dissertation was in my argument that despite the continuous occurrence of organizational downsizing today, our understanding of this phenomenon is inadequate. Moreover, my concern was that downsizing is an ethically problematic phenomenon, particularly in a Finnish context, as regards its effects on the employees. Downsizing involves two major ethics-related issues: the acceptance of the managerial decision to downsize and the treatment of the employees. This dissertation is aimed at contributing to our understanding of the relationship between organizational downsizing and the business managers who implement the downsizing, with particular emphasis on the ethical perspective. Theoretical and empirical data were combined to answer the following questions: what kind of an idea of the relationship does this knowledge give us, how is such an idea produced, and what are the predominant ethical principles in that relationship.

The findings indicate that the prevailing public view of the relationship between downsizing and business managers emphasizes the primacy of economic rationality, efficiency, and perfect "manageability". The appropriateness of the phenomenon is not easily called into question, which leads to a general understanding that it is a good change strategy for improving the efficiency and profitability of a firm. However, the human and social implications of the phenomenon may be overlooked as a result.

The dissertation shows that there are various ways in which this kind of a view is produced. Such mechanisms include the marginalization of empathy and care from the formal managerial role, the use of taken-for-granted and simplified explanations of the managers' obligations of efficiency and loyalty, excessive and naive trust in the corporate goals, short-term calculation of the financial benefits of downsizing, and transference of the actual decision-making responsibility to a faceless collective. Moreover, the results imply that the international trend to downsize may, in fact, have the effect of changing the traditional ideals of the Finnish societal value basis and moral order, which have underlined well-being and security based on permanent employment contracts and an overall sense of responsibility and caring for other people.

However, such possible societal-level change needs to be investigated in more detail in future research.

The four articles of this dissertation and the prior research on the topic indicate that there are various kinds of human and social damage and societal-level problems associated with the practice of downsizing – increased unemployment, for example. Thus, it is justifiable to call into question the ethical appropriateness of the phenomenon. It is particularly necessary to question its rightness in a situation where downsizing is implemented in a profitable organization. Consequently, *an important conclusion of my dissertation is that every decision to downsize should be carefully considered, and that the contextual knowledge of a firm's financial situation is a crucial issue which needs to be taken into account in evaluating the appropriateness of the phenomenon in the Finnish context.* This conclusion supports the suggestion made by Van Buren (2000) that organizational *decline* can be considered one reason – and maybe the only good reason – for downsizing. Hence, the decision to reduce personnel is only acceptable to the degree that it is necessary for the survival of a firm. This is an issue worth serious consideration in future research on the topic.

The dissertation shows that the concepts of empathy and care can offer an opportunity to understand downsizing in “new”, broader terms. If a company is in decline and downsizing is implemented, the emotions of empathy and care together with the principles of justice help to treat the employees with dignity, paying attention to their self-defined needs and the fairness of the decisions in relation to other people. Additionally, the emotion of empathy can enhance the moral imagination of the manager so that he or she is able to understand the firm as a complex web of diverse perspectives and a dynamic constitution of collaborative relationships between people. Such a view can help the manager to recognize not only the economic but also the human and social aspects of downsizing (Piturro, 1999) and encourage him or her to reflect critically on the decision to downsize, particularly if it is not a question of a declining firm. Consequently, the decision to downsize becomes more complicated and requires rejecting the notion of perfect “manageability” and “controllability” in favour of a complex, even chaotic, managerial reality.

However, the emotions of empathy and care are largely marginalized in the theories of downsizing. According to Heller (1988), the same is true of various business ethics frameworks, which prefer rational knowledge and thinking to caring, and to emotions in general. So, *the central conclusion of my dissertation underlines the importance of empathy and care as moral concepts. These emotions should, therefore, not be excluded from the frameworks of business ethics or from those of downsizing.* My findings show that empathy and care do play a part in the practical moral experience of the business manager. If we solely rely on rational ethical theories, many ethical questions and dilemmas may remain unquestioned and unaddressed. Hence, my dissertation implies that it is necessary to develop and learn *to cultivate caring and empathy* both in business practices as well as in business education. In addition to the concepts of care and empathy, the cultivation process in itself is also an important issue which requires further clarification in the field of business ethics.

Moreover, this dissertation demonstrates that the topic of emotion, in general, is a very relevant subject for future study, both in the fields of work, management, and organizations as well as in business ethics. The topic is much undervalued and, consequently, our knowledge in this respect is inadequate. My results imply that the traditional idea of emotions as irrational and interfering with rationality is far too limited. Emotions are instrumental in guiding the behaviour of an actor and they play an important part in human interaction and collaboration. Following the suggestion of Fineman (2000, p. 11) it might be valuable to do away with the traditional distinction between rational and emotional, and begin to understand them as interwoven.

I suggested the concept of dialogical business ethics (DBE), which proved to be a useful framework here, enabling a combination of the knowledge of theory and of practice. However, the application of the framework in this case was limited to a textual dialogue. It would be very important to apply its ideas in the context of a dialogue between business professionals and researchers for the purpose of collaborating to develop moral knowledge and understanding. *My conclusion, then, is that the approaches of action research can provide a systematic basis for studying and developing moral knowledge in a collaboration process of different actors in a way which is consistent with the concept of dialogical business ethics.* I suggest that especially the emotional and the learning aspect as well as the power relations between the parties are the key issues in dialogues and should be considered when the concept of dialogical business ethics is developed in more detail in the future. Furthermore, the results of this dissertation also imply that *narratives* can prove effective as a source of knowledge and as a method of experiential learning, since they allow the actors to experience the phenomenon in question at the personal level. For example, narratives of the managers themselves, of the dismissed people, survivors, family members, representatives of the authorities, and also of fictive characters in literature and films could be valuable in the development of the moral imagination.

Finally, the results of the dissertation imply that the definition of the concept of efficiency in the downsizing literature is too narrow, and that there is a *paradox of efficiency* embedded in it. Previous research shows that downsizing also incurs various types of damage. For instance, it erodes the trust between employer and employee, and generates fear among the corporate personnel. It creates moral shame among the dismissed. The company may lose its critical competence and its image may weaken. Moreover, it is possible that the numerous burnouts and the prevailing dissatisfaction reported in organizational life in Finland today may be due to the considerable number of downsizings in the nineties. People may still have a fear of being laid off – something not typically included in the traditional concept of efficiency. A reduction of creativity may be another consequence, not merely because of the fear felt by the employees but also because people often have to work under pressure due to a too lean organization. Such an organization may also be a constraint to business if the number of employees is insufficient to serve the customers properly.

So, paradoxically, the narrow and short-sighted definition of efficiency can lead to economic problems. However, since these are among the major reasons

why organizations downsize in the first place, there is a self-enforcing mechanism or loop in the definition. To be able to question the definition, the loop should be made visible in communication processes in organizations as well as in society as a whole. *My conclusion is that in a situation of downsizing we need to rethink the definition of efficiency. The definition should cover not only the economic consequences of the improved short-term profitability of a firm, but also the human and social consequences viewed from the perspectives of various groups of people. Additionally, the time period during which the consequences are considered should be long enough.*

Furthermore, from the ethical viewpoint of this dissertation, we should question the appropriateness of firms using their employees merely as a means for obtaining additional profits and treating them as replaceable objects. The paradox of efficiency indicates that this position may, in fact, be disadvantageous from an economic standpoint. *Rethinking the concept of efficiency from an ethical perspective would also require that such concepts as care, empathy, and trust be considered as an integral part of its definition.* Such a definition would also contribute to the view of a firm, not as a separate entity, but as a complex web of human relationships and collaboration. Understanding the concepts of care, empathy, and trust as having an essential role in dynamic and constitutive relationships, rather than seeing them as the personal characteristics of individuals, might provide a fruitful topic for further investigation.

YHTEENVETO (FINNISH SUMMARY)

Organisaation kutistaminen ja suomalainen liikkeenjohto eettisestä näkökulmasta tarkasteltuna

Väitöskirjatyöni tavoitteena on lisätä tietoa ja ymmärrystä liikkeenjohtajan ja organisaation kutistamisen suhteesta suomalaisessa kontekstissa tarkasteltuna eettisestä näkökulmasta. Yhdistän työssä teoreettista ja empiiristä tietoa toisiinsa ja vastaan sitä kautta seuraaviin kysymyksiin: millainen kuva suhteesta jäsentyy, miten tämä kuva rakentuu ja mitkä eettiset periaatteet ovat siinä tärkeitä.

Organisaation kutistaminen on yleistynyt länsimaisissa organisaatioissa erityisesti 1990-luvulta lähtien. Kutistamisen avulla tavoitellaan tehokkuutta ja yrityksen toiminnan kannattavuuden parantamista vähentämällä henkilöstöä. Tämä tapahtuu irtisanomalla ihmisiä tuotannollisista ja taloudellisista syistä tai muiden vähentämisstrategioiden kuten esimerkiksi varhennettujen eläkejärjestelyjen tai työsuhteiden määrä- ja osa-aikaisuuden kautta.

Väitökseni lähtökohtana on kaksi pääargumenttia. Näistä ensimmäisen mukaan teoreettinen tietämys organisaation kutistamisesta on vähäistä huolimatta ilmiön yleisyydestä liike-elämässä. Aikaisempi liikkeenjohtotutkimus ja -kirjallisuus on luonteeltaan praktista ja lähestyy ilmiötä pääasiassa taloudellisesta näkökulmasta. Teorian kehitys aiheesta on niukkaa ja yksipuolista. Aihealueen monimuotoisuus ja -mutkaisuus on myös jäänyt kirjallisuudessa ja tutkimuksessa suurelta osin piiloon. Toinen pääargumenttini lähtee ajatuksesta, jonka mukaan organisaation kutistaminen ja erityisesti sen vaikutukset henkilöstöön on eettisesti latautunut kysymys. Tämän vuoksi aiheen tutkiminen on perusteltua juuri eettisestä näkökulmasta. Kun henkilöstöä vähennetään ja irtisanotaan tehokkuuden parantamiseksi, nousee esille kaksi tärkeää eettistä kysymystä: onko päätös eettisesti oikeutettu ja millä tavoin henkilöstöä kohdellaan tilanteessa.

Tutkimukseni aihe ja näkökulma on erityisen kiinnostava suomalaisessa kontekstissa, jossa ihmisen yhteisöllisen arvon mittana on perinteisesti pidetty työtä ja osaamista. Irtisanotuksi joutuminen tai ylipäättään uhka joutua irtisanotuksi tuottaa helposti ihmisille moraalista häpeää. Johtajan tehtävää on puolestaan perinteisesti kunnioitettu ja ihailtu ja sitä on aikaisemmassa kirjallisuudessa verrattu jopa yrityksen "jumalan" rooliin. Tästä lähtökohdasta ajateltuna organisaation kutistamisen ja sen johtamisen suhteeseen muodostuu ristiriita, jossa ihailussa roolissa oleva johtaja toimii perinteisten moraali-odotusten vastaisesti ja asettuu näin alttiiksi moralisoinnille ja mahdolliselle halveksunnalle. Edelleen suomalainen työelämä on perinteisesti perustunut jatkuvan ja vakinaisen työsuhteen periaatteelle. Sitä on pidetty sosiaalisen hyvinvoinnin ja turvan lähteenä. Organisaatioiden olemassaolon yhtenä tärkeänä oikeutuksen lähteenä onkin pidetty kyseisen periaatteen mukaan toimimista. Organisaation kutistaminen rapauttaa tätä periaatetta ja näin kyseenalaistaa perinteistä arvoperustaa. Myös yhteisöllinen ihmisistä huolehtiminen ja välittäminen asettuu tilanteessa kyseenalaiseksi ja sen sijaan korostuu kapeasti tulkittu tehokkuus. Ihmisten

merkitys organisaatiossa määrittyy tällaisessa tilanteessa helposti vaihdettavaksi ”koneen osaksi” tai ”riittävästi hyödynnetyksi resurssiksi”.

Väitöskirjani koostuu kahdesta pääosasta. Näistä ensimmäinen käsittää johdantooseseen ja toinen osa sisältää neljä empiiristä artikkelia aiheesta. Artikkeleissa tarkastelen aihetta johtajan henkilökohtaisesti kokemalla, organisatorisella ja yhteiskunnallisella tasolla. Empiirisenä aineistona käytän haastatteluja ja lehtiartikkeleita. Tämä eri tasoilla tapahtuva tutkiminen mahdollistaa ilmiökentän monimuotoisuuden avaamista ja kokonaiskuvan rakentamista aiheesta. Ensimmäisessä artikkelissa tavoitteenani on tutkia johtajien kokemuksia henkilöstön irtisanomisen päätöksenteosta. Toisessa artikkelissa tarkastelen johtajien sitoutumista organisaation kutistamiseen sekä tähän sitoutumisen prosessiin vaikuttavia tekijöitä. Kolmas artikkelini tuo esille, miten johtajat oikeuttavat selityksillä ilmiön ja oman roolinsa siinä. Viimeisessä, neljännessä, artikkelissa etsin organisaation kutistamisen representaatioita ja johtajan identiteetin rakentumista liike-elämän lehtiartikkeleissa.

Työni teoreettinen perusta muodostuu hermeneutiikasta ja sosiaalisesta konstruktivismista. Hermeneutiikassa korostuu tutkittavan ilmiön ymmärtäminen tekstinä ja tämän tekstin merkitysten tulkinta yhdistämällä empiiristä ja teoreettista tietoa toisiinsa. Sosiaalisen konstruktivismin mukaisesti ihmisillä on yhteinen sosiaalinen todellisuus, joka vaikuttaa heidän merkityksenantoonsa, ajatteluunsa ja toimintaansa. Sosiaalinen ja kulttuurinen todellisuus ylläpitää yhteistä ”maailmaa”, mutta se on myös dynaaminen ja sisältää muutoksen mahdollisuuden. Keskeinen merkitysten ylläpitäjä ja muuttaja on kielenkäyttö. Väitöskirjani kannalta on tärkeä siten ymmärtää, että kyseessä on tekstien ja puheiden merkitysten jäljittäminen ja tulkinta. Tämä tulkinta ja näin ollen työni tulokset ovat suhteessa paitsi tietysti tulkintapotentiaaliini myös valitsemaani eettiseen näkökulmaan. Lisäksi ne ovat suhteessa suomalaiseen sosiokulttuuriseen ja liikkeenjohtamisympäristöön ja näin ollen ymmärrettävissä siitä nouseviksi.

Yksittäisten artikkeleiden tutkimusmethodiset valinnat noudattavat työn teoreettisia lähtökohtia eri tavoin. Niille on kuitenkin yhteistä kielenkäytön ja tulkinnallisuuden keskeisyys. Ensimmäisen ja toisen artikkelin olen sijoittanut intentionaalisuutta painottavaan merkitysteoreettiseen lähtökohtaan. Merkitys syntyy ihmisen intentionaalisessa suhteessa kohteeseen. Tällöin kielenkäyttö määrittyy johtajan kokemusten ja merkitystenantojen sisältöä kuvaavaksi välineeksi. Kolmannen ja neljännen artikkelin olen sijoittanut konstruktivismia painottavaan merkitysteoreettiseen lähtökohtaan. Kolmannessa artikkelissa lähestyn aihetta fenomenologis-etnometodologisesta ja neljännessä diskursianalyttisestä näkökulmasta. Tässä lähtökohdassa merkityksen ajatellaan syntyvän vuorovaikutus- ja kommunikaatioprosesseissa. Tällöin kielenkäyttö ei pelkästään heijasta tapahtumia ja asiantiloja vaan myös rakentaa niitä.

Väitöskirjan tutkimustehtävä etenee kolmivaiheisesti. Ensin kehitän integroivan viitekehyksen työn teoreettisten lähtökohtien ja metodisten valintojen kuvaamiseksi. Integroivan viitekehyksen keskeisen osan muodostaa etiikan näkökulma. Tämän näkökulman määrittelen kehittämällä dialogisen yritysetiikan käsitteen. Käsite pyrkii yhdistämään ja luomaan sillan normatiivisen ja deskriptiivisen eettisen tiedon välille. Se pohjautuu hermeneutiikkaan ja her-

meneuttisen kehän ajatusmalliin. Tämä tarkoittaa valitsemieni teoreettisten eettisten oletusten ja empiirisen aineiston kehämäistä vuoropuhelua ja tulkintaprosessia. Teoreettiset oletukset muodostuvat välittämisen etiikasta, eksistentiaalisesta yritysetiikasta, paikallisen sosiaalisen sopimuksen tarkoituksenmukaisesta sitovuudesta ja Aristoteleen kohtuullisuuden ideasta. Empiirinen aineisto muodostuu puolestaan artikkeleista. Toisessa tutkimustehtävän vaiheessa yhdistän teoreettista ja empiiristä tietoa vuoropuhelunomaisessa tulkintaprosessissa. Tämän prosessin keskeiset tulokset olen kirjoittanut tekstiin propositionien muotoon. Kolmannessa vaiheessa nostan esille työni tärkeimmän teoreettisen ja käytännöllisen kontribuution. Keskustelen kontribuutiosta, jonka kiteytän neljään keskeiseen päätelmään. Teen myös ehdotuksia jatkotutkimusta varten.

Tutkimuksen tulokset osoittavat, että viralliseksi luonnehdittavaa kuvaa organisaation kutistamisen ja liikkeenjohtajan suhteesta leimaa taloudellisen rationaliteetin, tehokkuuden ja johtamisen kontrolloivuuden ensisijaisuus. Tästä johtuen kutistamista ei helposti aseteta kyseenalaiseksi vaan se hyväksytään sellaisenaan organisaation tehokkuuden ja kannattavuuden parantamiseen tähtäävänä muutosstrategiana. Tällöin ilmiökenttään kuuluvat inhimilliset ja sosiaaliset seuraukset voivat jäädä huomiotta. Tutkimuksessa esille tulleet tavat, joilla tämäntyyppistä kuvaa rakennetaan ovat seuraavat: ihmisistä välittämisen periaatteen marginalisointi virallisen johtajan roolista, vetoaminen itseltään selviin ja yksinkertaistaviin taloudellisiin perusteluihin ja uskollisuuden velvollisuuteen, liiallinen ja naiivi luottamus organisaation tavoitteisiin, lyhyen tähtäimen taloudellinen ajattelu ja henkilöstön vähentämispäätösten vastuun siirtäminen kasvottomalle toimijalle. Väitöstutkimus implikoi alustavasti myös sitä, että perinteinen suomalainen työelämän moraalijärjestys, joka on korostanut vakinaista työtä ja ihmisistä välittämistä hyvinvoinnin lähtökohdana, voi olla muutoksessa kapea-alaista tehokkuutta korostavaan suuntaan. Tämä alustava implikaatio edellyttää kuitenkin jatkotutkimusta.

Koska systemaattinen henkilöstön vähentäminen sisältää sekä tämän että aikaisemman tutkimuksen perusteella inhimillisiä, sosiaalisia ja yhteiskunnallisia ongelmia, pitää ilmiön oikeutusta pystyä eettisesti kyseenalaistamaan. Ensimmäinen tärkeä väitöstutkimukseni päätelmä on, että *jokaista kutistamispäätöstä on harkittava tarkkaan ja organisaation taloudellinen tilanne on aina huomioitava päätöksenteossa sen eettistä oikeutusta ja sopivuutta tarkasteltaessa. Näin ollen organisaation heikko taloudellinen tilanne, taantuma, on mahdollisesti ainoa eettisesti hyväksyttävä syy kutistamispäätökseen.* Tämä on syytä ottaa myös huomioon kutistamista koskevassa tutkimuksessa selvemmin kuin mitä tähän asti on tehty.

Väitöstutkimukseni osoittaa, että välittämisen tunne ja empatia voivat mahdollistaa johdon moraalista mielikuvitusta ja monien näkökulmien ymmärtämistä. Jos yrityksen taloudellinen tilanne on huono, välittäminen ja empatia yhdessä oikeudenmukaisuuden periaatteen kanssa auttavat kohtelemaan henkilöstöä arvokkaasti ja eettisesti hyvin näiden ihmisten omista lähtökohdista käsin. Edelleen erityisesti empatia, joka mahdollistaa toisen näkökulman huomioonottamisen, voi edistää organisaation ymmärtämistä monimutkaisena toimijoiden yhteistoiminnallisena verkostona. Tällöin voidaan välttyä yhden näkökulman ylivallalta ja huomioida kutistamisen seuraukset monesta näkö-

kulmasta. Kutistamispäätöksen tekeminen muodostuu monimuotoisemmaksi ja silloin mahdollistuu päätöksen kriittinen pohdinta. Tämä edellyttää johtamisen kontrolloivuuden todellisuuskäsityksestä luopumista ja monimutkaisen, jopa kaaottisen, todellisuuden hyväksymistä.

Empatia ja välittäminen on perinteisesti marginalisoitu organisaation kutistamista ja liikkeenjohtamista koskevassa teoreettisessa kirjallisuudessa. Samaa pätee myös useimpiin yritysetiikan teorioihin. Toinen keskeinen väitöskirjani päätelmä onkin, että *välittäminen ja empatia ovat moraalisia käsitteitä eikä niitä voi sivuuttaa teorioista*. Väitöskirjan tulokset osoittavat, että ne ovat osa moraalista kokemusta käytännössä ja jos ne sivuutetaan teoriassa, monet eettiset kysymykset jäävät kysymättä ja vastaamatta. Käytännön kannalta on tärkeää empatian ja välittämisen kehittäminen sekä yritysten omissa käytännöissä että liike-elämän ammattilaisten koulutuksessa. Tulevaisuudessa on tärkeää tutkia näitä käsitteitä lisää sekä myös mahdollisia kehittämisprosesseja itsessään.

Kokonaisuudessaan väitöskirja implikoi sitä, että tunteiden tutkiminen on huomattavasti tähänastista laajemmassa ja syvemässä mittakaavassa tärkeää työelämän, organisaatioiden ja yritysetiikan kentässä. Tällä hetkellä tunteiden merkitystä ei ole huomioitu riittävästi ja se perinteinen ajatus, että tunteet ovat irrationaaleja ja järjenkäyttöä häiritseviä vaikuttaa riittämättömältä. Tunteilla näyttää olevan myös merkitystä toimijan käyttäytymisen apuna ja ihmissuhteissa. Saattaisi olla tarkoituksenmukaista pyrkiä pikemminkin häivyttämään kuin ylläpitämään perinteistä dikotomista erottelua järjen ja tunteiden välillä.

Dialogisen yritysetiikan käsite väitöstutkimukseni teoreettisena lähtökohtana osoittautui tarkoituksenmukaiseksi. Sen soveltaminen rajoittui kuitenkin tässä yhteydessä tekstuaaliseen dialogiin. Tulevaisuudessa käsitettä ja sen käyttöä pitäisi tutkia ja kehittää sellaisissa yhteistoiminnallisissa käytännön prosesseissa, joissa tutkijat ja liike-elämän toimijat yhdessä kehittävät moraalista tietämystä ja ymmärrystä. Kolmas keskeinen päätelmäni on, että *toimintatutkimuksen erilaiset lähestymistavat tarjoavat systemaattisen perustan kehittämään moraalista tietämystä ja ymmärrystä dialogisen yritysetiikan ideoiden pohjalta*. Väitöstutkimukseni implikoi, että tällaisten yhteistoiminnallisten prosessien keskeiset ja kriittiset kohdat liittyvät todennäköisesti tunne- ja valtasuhteisiin toimijoiden välillä sekä oppimisen kysymyksiin. Erityisesti nämä seikat edellyttävät selvennystä ja tutkimusta tulevaisuudessa.

Tutkimukseni osoittaa, että narratiivien - kertomusten ja tarinoiden - käyttö, voisi olla sekä tarkoituksenmukainen tiedon lähde että oppimisen väline kehittämisprosesseissa. Ne auttavat toimijoita kokemaan asioita henkilökohtaisesti tunteen ja moraalien tasolla. Lisäksi ne voivat auttaa muiden kuin omien näkökulmien huomioonottamista. Esimerkiksi johtajien omat tarinat kokemuksistaan, irtisanottujen ihmisten, jäljelle jääneen henkilöstön, perheenjäsenten ja viranomaisten edustajien tarinat vaikuttavat kutistamisen yhteydessä tarkoituksenmukaisilta. Myös kaunokirjallisuus ja elokuvataide voisivat tarjota hyviä mahdollisuuksia moraalisen mielikuvituksen ja ymmärryksen kehittämiseen.

Organisaatioiden kutistamisen keskiössä on tehokkuuden käsite. Tutkimukseni implikoi sitä, että käsite on määritelty kutistamiskirjallisuudessa kapeasti ja siihen sisältyy ns. tehokkuuden paradoksi. Ei vain tämä tutkimus vaan myös aikaisempi tutkimus osoittaa, että kutistaminen heikentää työntekijän ja

yrittäjien välistä luottamussuhdetta. Se lisää pelkoa henkilöstön keskuudessa ja tuottaa moraalista häpeää. Organisaatio voi menettää tilanteessa ammattitaitoa ja kyvykkäät henkilöt voivat lähteä. Yrityksen imago voi kärsiä. On myös mahdollista, että henkilöstön tyytymättömyys ja loppuun palaminen ovat seurausta aikaisemmista kutistamisprosesseista. Luovuus saattaa tilanteessa kärsiä pelon tunteen vuoksi ja lisääntyneiden työpaineiden kasvaessa ohueksi kutistetussa organisaatiossa. Tällainen organisaatio voi olla myös este liiketoiminnalle, jos kaupankäyntiä jää toteutumatta liian vähäisen henkilöstömäärän vuoksi.

Paradoksaalisesti saattaa käydä siten, että kapea ja lyhyen tähtäimen tehokkuuden määrittely johtaa myös taloudellisiin ongelmiin, jotka ovat alun perin yleensä pääsyy kutistamiselle. Määrittelyssä piileekin mahdollisuus itseään vahvistavaan "noidankehään". Tämän näkyväksi tekeminen ja määrittelyn kyseenalaistaminen pitäisi olla mahdollista sekä organisaatioissa itsessään että yhteiskunnassa laajemminkin. Neljäs keskeinen päätelmäni on, että *tehokkuuden määrittelmää pitäisi itsessään tulkita uudelleen. Sitä ei voi tarkastella pelkästään taloudellisena lyhyen tähtäimen kannattavuutena vaan myös sosiaaliset ja inhimilliset seuraukset pitkällä ajalla tulisi monipuolisesti sisällyttää määrittelmään.* Väitöstutkimukseni eettinen näkökulma korostaa lisäksi sitä, että ihmisiä ei voi objektivoida pelkästään vaihdettaviksi kohteiksi, vaan myös sellaiset asiat kuin *välittäminen, empatia ja luottamus ovat olennainen osa työntekijäsuhteita. Näin niiden pitäisi olla myös osa pitkän ajan tehokkuuden määrittelmää.* Sellainen määrittely voisi auttaa näkemään yritykset ja niiden toimijat itsenäisten ja erillisten entiteettien sijasta yhteistoiminnallisena verkkona. Erityisesti välittämisen, empatian ja luottamuksen ymmärtäminen dynaamisina ja konstitutiivisina suhteina pikemminkin kuin ihmisten henkilökohtaisina ominaisuuksina vaikuttaa hedelmälliseltä tutkimuksen lähtökohdalta.

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PART II: THE ARTICLES

ARTICLE I

**Downsizing and Ethics of Personnel Dismissals – The Case of Finnish
Managers**

By

Lämsä, Anna-Maija & Takala, Tuomo

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Downsizing and Ethics of Personnel Dismissals – The Case of Finnish Managers

Anna-Maija Lämsä
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ABSTRACT. The purpose of our article is to present a qualitative empirical study from the ethical viewpoint. It aims at the theoretical conceptualization concerning the managers' decision-making of personnel dismissals in downsizing organizations. First we present and seek to motivate our research task. The importance of real business ethical issues as a starting point of business ethics research is emphasized. Second the main normative ethical theories and ethical decision-making models are presented. These form the loose framework for describing and interpreting research interviews. After this the empirical findings are set forth. This part suggests that the managers explain the dismissals from different decision-making roles emphasizing different ethical orientation. The roles are called a rational and an independent manager, a marionette and an emotional individual. Our study suggests that the role of

empathy in morality reveals an interesting and a necessary research topic for business ethics research.

The working career of the industrial society is considered full-time, life-long and permanent. However, this ideal seems to be in transition at the moment. Individuals can no longer trust on permanent jobs and security. Organizational downsizing defined as intentional and planned elimination of jobs and positions seems to be the unavoidable accompaniment of current business trends. Since the eighties downsizing has become popular in western societies (Cameron, 1994). There were quite a few companies that did not downsize at all during the 1980s and 1990s. Feldman and Leana (1994) describe that layoffs are no longer abstract business phenomena that occur in someone else's industry or hometown. There is actually no one who does not know someone who has been laid off or has not had at least some anxiety about the job security. Among those who lose or are in danger to lose their jobs are also groups which earlier were thought to be safe from economic uncertainty, such as managers and specialists (Kanter, 1989; Tichy and Devanna, 1990). Despite the current economic recovery that seems to be occurring, massive downsizing continues apace at one major firm after another. Downsizing is probably one of the most disruptive and dramatic type of organizational change which many managers are likely to experience nowadays. A poorly executed downsizing can traumatize a company for years and lead to unexpected results (Drew, 1994). However, knowledge concerning managing downsizing and reducing staff is not very common. Most attention in managerial literature

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aims at growth. Executives have acquired talent only for building organizations, and not shrinking their size. Thus there seems to be an obvious shortage of knowledge concerning the issue.

Downsizing increases the variety of demands put on the managers. These demands seem to have more and more contradictions and complexes between them. A manager is responsible for the cutting down the personnel. In such a situation she/he probably meets with questions to which there is not necessarily any right or wrong answer. Thus there are ethical problems involved in the situation. For example, Hosmer (1987, pp. 314–315) claims that ethical problems can be distinguished from other managerial problems. Ethical problems have a negative impact upon people in ways that are outside their own control. They cause hurt or harm to others that might be undeserved. The ethical problem becomes more difficult if it results in contrasting outcomes, with benefits for some and damages or harm for others. So, through downsizing the company may achieve better financial results and profitability in order to cope with increasing competition or declining market. In such a situation a manager has to select between people who will be laid off and those who will be retained. If the company's financial position is poor, also those whose motivation and skill are blameless might become reduced. The manager can no longer be so pleased with the moral quality of her/his decisions. She/he may be unable to avoid harming some people at the expense of others.

The present study

The empirical study presented here focuses on declining organizations which have resorted to massive personnel reductions in their downsizing activity. Our aim is to describe and understand the managers' decision-making of personnel dismissals from the ethical viewpoint as explained by two case managers. The study is based on phenomenological-hermeneutical research tradition (Schutz, 1980). The purpose is to get "an inner look" at the research phenomena, and in that way to find out the essential aspects of the

managers' explanations. Our goal is to form a theoretical conceptualization based on the explanations. Burrell and Morgan (1989, p. 273) have presented that according to the phenomenological tradition the social world is processual and emerges from the intentional acts of human beings either individually or together with other people. Thus the main point is to learn what the case managers say that decision-making is for them. However, scientific thinking is interested in trying to find some general patterns than in single cases. The purpose is usually to conceptualize everyday experiences, to model them and develop explanatory frameworks. Separate studies connected with each other can form some basis for theory making. So, it is possible to base current descriptions and interpretations on earlier conceptualizations and interpretations.

Cameron (1994, p. 183) argues that downsizing is probably the most pervasive yet understudied phenomenon in the business world. Although some empirical studies concerning downsizing have been completed (e.g. Brigley, 1995; Feldman and Leana, 1994) less theory exists. Much literature focuses on practical advice and norms, and there is the lack of theory building in the area. On the other hand, the lack of studies on real business ethical issues is evident in Finland. So, this kind of research is important, especially when applied to Finnish business context. Brigley (1995) says that one problem in empirical business ethics research in general level is the fact that it has been mainly positivist in approach. The surveys typically probe participants' attitudes in response to ethical difficulties presented as questions or vignettes. The problem with surveys is that they do not reveal the ethical understanding of social actors. As Brigley says the advantage of case studies lies in the naturalistic interpretation of social action. Case studies elicit from practical actors the ways in which they understand ethical concerns in their work, then proceed to refine and clarify the concepts and generate theory-building. So, case studies such as this study are essentially exploratory, and therefore useful in establishing theoretical conceptualizations from the ground upwards. The managerial viewpoint of this study is rare in downsizing research. Most studies have been

made from the viewpoint of the persons who have been dismissed. To some degree, also "survivors" have been studied (e.g. Brockner et al., 1994; Brockner et al., 1993; Brockner et al., 1990). The unusual viewpoint chosen here may open vistas which deviate from the customary and enrich the topic. By this way it may be possible to contribute the understanding of how "reality" concerning the topic is constructed and managed by the managers.

Our study is divided into four chapters. The first section gives an introduction to the topic, a definition of the goal and an outline of the research task. The second section contains the theoretical background of the study. The third section describes the empirical findings and their interpretation. The fourth section contains a summary and conclusions of the study.

Theoretical background

Although the purpose of this study is to establish theoretical conceptualization from the empirical data, the study does not begin from the "emptiness". The current conceptualization and interpretation is based on the earlier ethical theories and research. They offer the loose framework for our empirical research. Business ethics is applied ethics the task of which is to "say and define what kind of action is Good Business Life". The task is twofold: on the one hand business practices are described and analyzed, and on the other hand advice is given to business practitioners on how to make good choices and decisions (cf. Beauchamp and Bowie, 1979; De George, 1989). From the normative ethical perspective the business practitioners need criteria for good choices and decisions in order to accomplish them. A tricky issue about ethical business is that the different ethical theories state different criteria and thus give different and occasionally contradictory solutions to ethical problems.

The two major traditions which dominate current thinking in normative ethics are deontology and utilitarianism. These traditions have been applied in attempts to construct ethical models for managers and decision-makers.

Deontology

In deontological reasoning it is supposed that there are *prima facie* ideals which direct our thinking. Kant (1959) provided much of the reasoning which underlies modern deontology. His conclusions are based on two concepts. First, he states that the only possible basis for establishing a moral tradition is human reason or logic. The second concept is whether an action can be universalized. For example, one statement of Kant's "categorical imperative" is that "one ought never to act unless one is willing to have the maxim on which one acts to become a universal law". Another Kant's maxim is "act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only". According to Kant, good will, and only good will, can be universalized. Thus, any exceptions to universal rules should be tested, i.e. asked whether they meet the criterion of universalized good will. Modern interpretations of deontological ideals suggest that the ideals may be considered "universal" in character but not necessarily "absolute" (e.g. Ross, 1961). The difference between absolute and universal ideals is the recognition that in some situations a universal statement of "right" or "wrong" might be inappropriate. The strict absolutism of early deontological thinking did not accept the non-absolute character of certain rules. However, the modern versions, such as that put forth by Ross, consider possibly controversial statements *prima facie* universal in character and allow exceptions. In general, the principle is that certain rules or duties are required, and the burden of proof lies with any exception to them.

Utilitarianism

It is the egalitarian character of deontology based on universalizing concepts which provides the foundation of criticism for the second major tradition in moral philosophy—utilitarianism. The utilitarian ideal may be stated by the phrase "the greatest good for the greatest number". There are many variations of utilitarianism, as there are variations of deontology. A brief overview of the

major ideas is presented here (see more e.g. Beauchamp and Bowie, 1979; Frankena, 1963; Velasquez, 1988). The primary way of assessing "the greatest good for the greatest number" is by performing a social cost/benefit analysis. All possible benefits and costs of the assessed act are listed and summarized as the net of all benefits minus all costs. If the net result is positive, the act is morally acceptable; if the net result is negative, the act is not acceptable. Utilitarianism seems to have been accepted by business people, which may in part be due to its tradition in economics. The ensuing economic philosophy of capitalism, alongside Adam Smith (1776), provides a rich traditional heritage to the utilitarian concepts. Capitalist systems, by providing the greatest material good for the greatest number, are thus considered ethical from the perspective of the traditional economic philosophy. It should be noted here that the utilitarian analyses of moral philosophers extend beyond material good to the much broader concept of utility, from which the term utilitarianism is derived.

Two points of criticism are relevant to the above discussion. First, there is the problem of unjust distribution of utility. Summarizing the costs and benefits as described above may conceal major negative occurrences for people in small social segments by allowing their losses to be offset by relatively minor increases in utility for larger segments of society. Even though one form of utilitarianism (i.e. rule utilitarianism) allows constraints so that negative outcomes could be eliminated, the criticism is still valid. The second problem with utilitarianism is the concern for individual acts. If each act is judged by its own cost/benefit outcome, there is no consistency between acts and thus results in a lack of generalizability. In spite of its weaknesses, utilitarianism is still a major tradition in moral philosophy and maintains substantial support.

Of the two dominant traditions, deontology is favored by many moral philosophers today. Deontological reasoning offers many people who are critical means for justifying their attacks. Utilitarianism has been attacked by moral philosophers because it seems to suggest certain untenable outcomes when applied to particular

hypothetical situations. Utilitarian arguments are also used historically to provide much of the ethical justification for the modern economic systems of capitalistic democracies. The major concern and unit of analysis of deontology is the individual whereas utilitarianism is decidedly social in character and focuses on the welfare of the society as a unit. This difference in focus can, in a number of situations, put the two traditions at odds with each other. There is no totally accepted, absolute statement of what is ethical and what is not ethical – only important and carefully reasoned traditions.

Practical moral problems in organizations and management are usually very complex. Normative theories of ethics like deontology and utilitarianism may offer some kind of basis for the decision-making. Despite increased attention to ethical issues in business, theoretical and especially empirical descriptive research of decision-making of social actors are relatively rare. Few scholars are interested in both ethics and organizational behavior and decision-making (Jones, 1991, p. 367). Jones (1991) has developed the theoretical issue-contingent model of ethical decision-making. His theoretical model is based on the social psychology containing elements of moral philosophy. He argues that moral issues vary in terms of their moral intensity, and that his model can add remarkably to the understanding of moral processes. According to Jones the details of moral decision-making and behavior processes become irrelevant if the person does not notice that she/he is dealing with a moral issue. For example, Jones (1991, p. 371) argued that people tend to become much more concerned about moral issues that affect those who are close to them rather than those with whom they have little or no contact. Trevino (1986) has developed the theoretical interactionist model of ethical decision-making in organizations. Her model combines individual variables with situational variables to explain the ethical decision-making behavior of individuals. For example, Trevino (1986, p. 615) argued that principled individuals are expected to be ethical despite situational pressures toward unethical behavior. She also suggested that organizations could develop member's critical moral awareness

through training programs. The training should be based on Kohlberg's (1969) model of the moral development which is the basis of Trevino's model. Kohlberg's model emphasizes the cognitive moral decision-making process, the reasons an individual uses to justify a moral choice. Kohlberg's model provides three broad levels of cognitive moral development, each composed of two stages. His model is hierarchical, the individual passes from stage to stage in an invariant sequence. Obedience and punishment orientation is in focus on the first stage of the moral development, whereas universal ethical principles represent the highest moral stage of the development. Kohlberg's hierarchical model has been criticized much. The criticism is often focused on the masculine values which Kohlberg's theory is said to symbolize. For instance, Carol Gilligan (1982) claims that women have a moral orientation that focuses on "caring" rather than abstract universal rights or justice which is the most developed ethical stage in Kohlberg's theory. Women express care for those for whom they feel responsible. Gilligan ties the moral judgments of women to feelings of empathy and compassion. Gilligan's thesis has also been criticized much. Her results concerning the gender differences in the moral judgments are complex and inconclusive. The essential point seem to be here whether we understand the female and male differences come from physiology or if we understand gender as a social construction.

Data gathering and analysis

In our study in-depth interviews are used as the method of data gathering. The in-depth interview, a method where individuals can express their thoughts as widely and deeply as possible, is selected because it gives the possibility to study the phenomenon "inside". In this way it is easier to try to understand the experiences of the actor from her/his viewpoint. There are two professional managers which are interviewed. They represent Finnish bank branch which has radically downsized and reduced staff in all organizational levels. About the half of personnel have been laid off since the beginning of the

1990ies. The two different types of managers are selected in order to get a many-sided and a rich picture (cf. Holstein and Gubrium, 1995, p. 26).

The managers in our study are called Matthew and Peter. Matthew is a 41-year-old managing director of a bank. He is married and he has the university education. Matthew has been working during 17 years of which 15 years in the bank branch. He has been responsible for personnel dismissals in a downsizing situation during the last ten years in several local banks. So, Matthew has gained a lot of experience. Peter is a 42-year-old middle manager in a nationwide big bank. Peter is married and he has the university education. He has been working 19 years of which 14 years in the bank branch as a middle manager. Peter has got just a short experience concerning dismissals as a result of a big bank merger.

Both interviews are recorded and transcribed. In addition to this, we wrote reflections concerning the interview process and general impression. The interview material is analyzed in the following way. First, we read transcribed descriptions several times. Second, we went in details through the material and tried to separate from it such units (mainly words and sentences) which contain an independent meaning. We named the meaning units conceptually and listed them. This listing was further grouped into more general and abstract categories. All the time the link between conceptual categories, the original empirical interview material and the theories was important. This process of listing and categorizing was repeated several times. Finally, the material began to become condensed, and the managers' explanations started to get a more compact conceptual form.

Empirical findings

Formal frame of decision-making

When giving formal reasons for the dismissals the managers explain them from the perspective of their firm and its targets. For example, Peter describes "this is hard business and there are certain economic goals. One naturally strives for a result which is right, objective and economi-

cally sensible, but then . . . that is the goal". Matthew points out the too heavy organization in relation to the results and says "but the situation is like this, such that the organization is at least threefold compared with the business". The right reason for the dismissals is the benefit they bring to the organization. The expectation of cost savings is seen as the most important goal. The possibility to reach the goal is seen relatively unproblematic by the managers, although some disadvantages like bad reputation and stress among personnel are reported. The managers seem to believe that financial problems disappear through dismissals. People are valuable because through them certain cost savings can be reached. For instance, Matthew says "I go through the financial numbers and compare results with the number of people". The role of personnel is understood as "a part of a machine by the managers". So, a human being is related to machine resembling the traditional tayloristic view of personnel.

The managers' descriptions reveal a utilitarian tune. Economic consequences justify the dismissals. The meaning of them is seen as a means to the firm's survival and immortality. The concept of preference (see more Airaksinen, 1987, p. 139) is essential here. Here, the utility is understood in terms of the actual preferences. The preferences have to be made between the continuation and survival of business, and the possible death of it. The descriptions of the managers correspond to the views which have come forth in other studies concerning managers' ethical reasoning in their decision-making. For example, Premeaux and Mondy (1993, p. 354) report that the managers may have a tendency to follow a utilitarian orientation (see also Fritzsche and Becker, 1984). Such an orientation can be explained by the strong role economics plays in managerial decision-making.

The impact of economics on decision-making may be greater than usually in the downsizing firm. The managers speak of utilities from the perspective of their firms. They do not use any societal or broader perspective in their explanations. This may mean that the managers' perspectives may be narrower than usual in the decline situation where economic difficulties are

at hand. In addition to the economic goals the time pressures the managers explain to have experienced can be one reason for this narrow perspective. For instance, Peter says "I started working as a new manager, I went to a new place. The situation was that there was an x-number of managers, and I had to outline within the frames of a very tight time-schedule how many managers are needed in the future. And after that I had to interview those people within a very tight schedule and set a ranking order". Matthew describes "everything was . . . because there was a time pressure at the same time. People knew that there will be decisions made".

It is also Brigley (1995) who concluded of efficiency pressures managers usually experience concerning the decision-making of personnel dismissals. According to him management strategies for handling dismissals ethically are heavily dependent upon managers' ability to "buy time" to give support to redundancy candidates. In addition to Brigley's conclusion the managers' ability to "buy time" in such a situation may enable the wider perspective in their decision-making. This in turn may mean ethically better grounded decisions.

The utilitarian orientation is prevailing in the managers explanations, too, as they describe the selections and the dismissals between individuals. For example, Matthew speaks "the main message is that there are so and so many jobs left and now we have been looking for, let's say a sales manager. I try to find out reasons why this person is suitable or is not suitable for the job. The guy who now has been hired for the job, well, we have decided that he suits to it. We have to speak of the principle who would be competent as a sales manager". It is also Peter who speaks of competencies like expertise, technical and social skills, as a main principle in the decision-making.

This is a publicly stated norm for the selections and the dismissals. This criterion refers to the utilitarian thinking and to the rational decision-making related to it. The aim is to select the most competent person in order to enable the success of the firm. In other words, the competence defined as rationally as possible is a means to the success. This refers to the rule

utilitarianism. According to it the choices conform to firm and publicly advocated moral rules. So, the rule as "choose the most competent person and dismiss the most incompetent" has a central role to play in determining the managers' behavior. The rule the managers follow is not a rule of thumb. It is a rule defined in the company's formal downsizing policy. According to the managers this formal rule seems to enable to some extent to avoid acts of injustice in the decision-making.

The managers held themselves accountable for the decisions. This is explicit from following statements "I am responsible for the decision-making because I am a managing director" (Matthew), or "I made the decisions, just myself. So, I am responsible for them whether they are good or bad" (Peter). The formal authority and the status as a manager form the basis for the responsibility. The managers describe that it is their obligation as professional managers to take care of the decisions as properly as possible, and in this way to promote the company's advantages. The freedom of the decision-making is the moral ideal for them. They disapprove strongly of pressures expressed by other people to influence the decisions. For example, Peter describes the pressure from a manager already retired. Peter says "he wanted to influence my decision. It was this earlier colleague of him from other bank who should have a position in a new bank, too. I am not sure whether even a family acquaintance would be there in the background". Matthew describes pressures from trade union representatives "we had a very popular trade union activist who then was on the list of those to be dismissed . . . The trade union representatives contacted me immediately as they heard of this telling me that he is an active member and should stay". The possibility to use power is closely connected with managerial work. This becomes apparent as important decisions are made in the organization. The managers inter-

pret the freedom of using power in the decision-making to be the moral ideal in the situation. Experienced freedom is connected with the level of responsibility. In other words, the ideal is that the professional managers as moral agents carry the responsibility for their decisions (Figure 1).

The essential question is who controls the "decision-making game" in practice. Both managers interpret that they as professional managers have the authority, and they are "the leaders of the decision-making game". But under high pressures from influential others combined with time pressures "the leader of the game" can change. This means that deterministic features emerge in the decision-making. The rationality and freedom in the decision-making is the ideal which can not be perfectly followed in practice. The managers regard this as a moral failure.

Human frame of decision-making

Although competence as a formal rule seems to enable to avoid acts of injustice, practical problems arise as the managers try to define the concept of competence rationally. For example, Peter says "but what is the outcome, that is what I don't know. Well, it is the most difficult thing I have had in this merger, the question that what a God I am". Matthew says "it is sometimes difficult to tell why you have to leave and why somebody else is let to stay". The dilemma of uncertainty is arising. After all, competence is not so easily and rationally defined.

Uncertainty is linked with the managerial demands of following the firm's formal principle and, on the other hand, the acceptance of the fact that the principle cannot be easily followed in practice. This can be called such a moral challenge where the managers do not always know what is the right or wrong choice to do. In spite of the good intentions and the formal policy the managers have to admit that their



Figure 1. Level of responsibility for dismissal.

choices can sometimes be wrong in the sense of inequality. It is an issue which is beyond the formal rule of the firm. Thus the formal policy does not cover all aspects of the choice. The situation becomes even more demanding when connected with the lack of time. Thus, the likelihood of the wrong choice may increase. To some degree the moral challenge is viewed emotionally painful by the managers. This brings a human aspect into the managers' experience. So, human behavior is not rational here although it to a great degree has been meant to be it as regards the organization and its actors.

Uncertainty concerning the choices is culminated to the situation where the managers are in "cross-fire" between the firm's formal policy and the human questions connected with individual persons. Matthew says "he is such a person, you can see it that he falls from high in hierarchy. So, if there are two guys with almost similar qualifications, then there may come up also the social status and the family's financial situation". Peter describes "you have to manage these things, when you are speaking of people's jobs. But then you have a 50 year-old person with little educational background who has been working in the bank for 25 years and who has half a million in loan and three children and a wife staying at home. And then if you have to say that I am sorry, you are quite good. But you happen to be the 26th and we take only 25 persons."

This is the question which concerns the moral problem between the notion of the firm's utility and the avoidance of injury and harm to human beings. On the one hand, the decisions are argued through the benefits they bring to the firm, i.e. utilitarianly by the managers. On the other hand, when human aspects connected with individual persons' life situation are under consideration, the explanations become more deontological by nature. The decision-making is viewed by the managers from the viewpoint of the individuals to be dismissed. Such arguments as status, faithful and long service, financial and social situation are considered. The arguments are coloured by some empathy for individual persons. This is mixed up with the formal utilitarian arguments. This causes conflicting feelings of guilty and uncertainty for the managers.

For example, Peter says "I just do not know anything else but this it is. But on which grounds I do not know for sure. It is extremely difficult when you speak of jobs and people . . . this reflects on the whole family, friends and everybody, it is not just a dismissal". Matthew describes "Yes, I feel rather terrible. All such things how their family life will change and how their will find the needed mental strength". The deontological duty (cf. Kant, 1959) not to treat anyone only as a means is in focus. This appears as the managers discuss the fates of individual persons getting "face". In other words, when they describe the dismissals from the formal utilitarian frame they speak of a "faceless" organization. But as soon as the descriptions are focused on persons who can be individualized (cf. Jones, 1991) the arguments begin to "soften". The formal argumentation is supplemented by duties and also care towards individual persons. (Figure 2.)

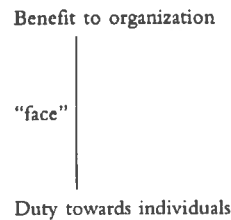


Figure 2. Arguments for dismissal.

The meaning of the "face" can be explained through the obedience of human behavior to authority. This issue was studied empirically by Stanley Milgram in 1963. In Milgram's research ordinary people were recruited to come to the laboratory. The subjects were told that they would be playing the role of teacher in the study. Each time the learner made an error, the subject was to press a lever that delivered an electric shock to her/him. The manager of the experiment asked the subject to continue giving shocks in spite of pains learners seemed to suffer. Milgram found out that most people continued to obey the authority (the manager of the experiment), going all the way to the end of the shock series. Milgram also noticed that under

certain factors such as a close and straight relationship between the "teacher" and the "learner" the degree of obedience of the "teacher" was weakened. (See more e.g. Atkinson et al., 1996, pp. 640–643.) The more direct the person's experience with the victim the less the person will obey. So, if the manager feels closeness with dismissed people, she/he begins to consider duties and care towards these people instead of the formal utilitarian arguments. It is the question of change in the manager's perspective taking. Goffman's (1974) concept of role distance can also be used to explain this.

When the manager considers dismissals from the perspective of individuals she/he seems to draw away from the traditional managerial role and its utilitarian orientation. The manager begins to view the situation as a private person instead of a professional manager. For example, Jones (1991, pp. 376–377) uses the concept of the proximity of the moral issue as a part of his theoretical model concerning moral intensity construct. It is the feeling of nearness that the moral agent has for victims. This is an important part of the ethical decision-making and behavior model suggested by Jones.

Why is it so that when the individual to be dismissed gets a "face" the manager begins to consider the duty and care towards her/him. An explanation can be sought by considering to whom the face belongs. Peter says "all the time I am thinking of the situation that some day I

myself could be dismissed. It is quite possible". Matthew comments "one of the most awful situations was one of the first dismissals I made. I needed to go to a person's home, and there the wife makes coffee, and the people are same age as your own parents . . . your own father. Well, that was quite an experience". Peter reflects the fate of the person to be dismissed on himself. Matthew thinks of his father. Thus the manager images her-/himself or a very close person in the place of a dismissed person. This can be interpreted to be the question of the symbolic identification, where the feeling of empathy is in focus.

Summary and conclusions

The aim of this article is to conduct a descriptive and an interpretative research concerning the managers' decision-making of personnel dismissals in downsizing organizations. The main point is to find out how the "reality" concerning the topic is constructed by the interviewed case managers. This study is exploratory, and therefore aims at establishing the theoretical conceptualization of the managers' explanations from the ground upwards. (Figure 3.)

Our study suggests that the two main conceptual dimensions of the managerial decision-making are the level of responsibility and the arguments for dismissals. The conceptual

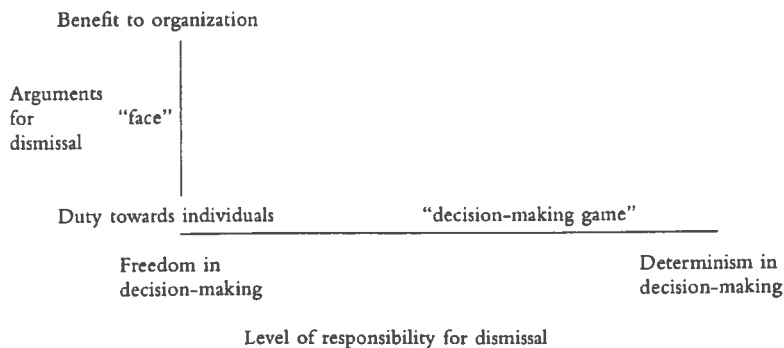


Figure 3. The conceptual dimensions of the decision-making.

dimension of the level of responsibility is connected with the rationality and freedom in the decision-making. This is the moral ideal for the managers. The formal authority meaning possibility to use power is the basis for this ideal. The formal organizational rule of the company policy determining the criteria of dismissals may mean the possibility to avoid acts of injustice in the decision-making. This may also result benefits to organization. However, the ideal of freedom and rationality in the decision-making is partly questioned in this study. The study implies that the ideal can not always be followed by the managers in practice. Thus the leader in the "decision-making game" can change. Under tight time-pressures, pressures from influential others and not having perfect knowledge the deterministic and also unrational features seem to emerge in the decisions. In that sense the ideal of the manager as a rational and free moral agent presented in managerial literature seems to be partly an illusion in practice. Instead of the role of an independent and rational decision-maker the manager may sometimes experience to be in the role which we call the role of "a marionette".

The formal arguments for dismissals form another conceptual dimension. The managers' arguments are mainly utilitarian in nature. This gives support to the results of the studies which argue that managers tend to follow utilitarian orientation in their ethical reasoning (e.g. Fritzsche and Becker, 1984; Premeaux and Mondy, 1993). The utilitarian orientation is connected with the formal role of the professional manager. She/he views the situation from the perspective of an organization showing obedience to formal economic goals of the organization. In this perspective people to be dismissed are understood as numbers. This implies that in this perspective human beings may be valuable only so far as certain economic goals can be reached. If any closeness with dismissed people is felt by the manager, she/he begins to consider duties and care towards people to be dismissed instead of the formal utilitarian arguments. The individual gets "the face" which symbolically can even be "the face" of the manager her-/himself. The manager's perspective in her/his considerations changes from the perspective of the "faceless"

organization to that of an individual. The duties towards individuals and the avoidance of injury and harm are in focus. This study implies that the distance to the formal managerial role may bring forth a situation where the manager "throws" her-/himself to the empathic sphere. She/he views her-/himself in the role which we call the role of an emotional individual. This suggests that the duty "act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only" may be based here not only on the rational or logical reasoning but also on the feeling of empathy. Thus our study suggests that the role of empathy in morality reveals an interesting and a necessary research topic for business ethics research. We propose that the morality in practice may require the development of empathy together with rational reasoning.

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ARTICLE II

The nature of managerial commitment to strategic change

By

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The nature of managerial commitment to strategic change

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Abstract

This article explores the nature of managerial commitment to such strategic changes as downsizing and quality improvement. Its purpose is to develop a theoretical framework of managerial commitment. Findings from a qualitative study are presented resulting in the classification of commitment in two dimensions: reward-based and trust-based commitments. A theoretical typology of the four types of managerial commitment is developed based on the dimensions: passive, calculative, trustful, and balanced types of commitment. The article argues that the general assumptions in commitment literature that people need material, social or psychological incentives and rewards which facilitate identification with an organization are one-sided. It proposes that much more emphasis should be put on studying trust-based commitment and elements affecting it for both economic and ethical reasons than prior research has done.

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Introduction

In this study, we concentrate on such strategic changes as organizational downsizing and quality improvement. As movements of a firm away from its present state toward some desired future (Hill and Jones, 1998) they ultimately share the same business goals: they aim at enhancing competitiveness and fulfilling the value of survival and staying in business. Organizational downsizing is portrayed as a means to cost cutting, simplify bureaucracy and increase productivity. Thus, it is not something that happens to an organization but, rather, it is undertaken on purpose. Freeman and Cameron (1993) define downsizing as an intentional action aimed at reducing workforce and improving efficiency or effectiveness of an organization. Moreover, intended reductions in the size of a company's workforce is argued to have become a major strategic alternative for firms to reduce costs (Cameron, 1994; Dahl and Neshelm, 1998; Mone, 1997; Palmer *et al.* 1997). The question of personnel dismissals is an essential challenge for downsizing organizations and their management. Total quality management (TQM) is basically a high-commitment approach to organization-wide development (Ollan and Rynes, 1991). It has been defined as a multifaceted change process which is linked with the overall development of the organization. Quality improvement involves the transformation of the entire organization toward customer-orientation through employee involvement (Savolainen, 1997, p. 45). The improvement process typically contains work process redesign that may also result in reductions in personnel.

Organizational downsizing and quality improvement mean changes for managerial

work. They can cause reductions in management staff and levels of hierarchy, and the traditional notions about the role and power of managers may be questioned. In addition, the managerial responsibility for change often involves such contradictory demands as balancing human and economic values, and combining organizational and personal interests, let alone motivating people and having responsibility for an employer-employee relationship. Moreover, the question that a company does not need some of its employees any more is a complicated and difficult ethical dilemma for a manager (Lämsä and Takala, 2000; Orlando, 1999). Consequently, managers typically face uncertainty and complexity in their work during such strategic changes as downsizing and quality improvement. For the most part, change literature is based on the assumption that it is just employees who may not be committed to change, and who have resistance to change attributable to the uncertainty associated with it. The change literature seems to be quite consistent as regards the argument that the role of leadership and management is a critical factor for effective and successful change (Kotter, 1996). Managers are responsible for change, and act as exemplars for others. High levels of commitment are expected from them, and they are implicitly viewed as committed to change: working for it and believing in its good intent.

Although there is currently a growing knowledge base of downsizing and total quality management in organizational and management literature (Cameron, 1994; Deming, 1989; Juran and Gryna, 1988; Tomasko, 1990), research on the commitment processes of managers to these kinds of changes seems to be rare. The literature abounds with descriptions and prescriptions of the crucial role of a manager as a change agent (Burns, 1978; Kotter, 1996; Nadler and Tushman, 1990; Savolainen, 1998; Tichy and Devanna, 1990), and a position-bound

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commitment of managers to change is an assumption which has not been often called into question. While research has paid less attention to how people occupy roles on different managerial levels, more systematic knowledge is needed about the issue. Therefore, in this study, we focus on managerial commitment to such strategic changes as downsizing and quality improvement. Our main purpose is to develop a theoretical framework based on an empirical study for understanding the nature of managerial commitment. Moreover, we are interested in the question concerning what the main elements affecting commitment formation are. We also discuss the consequences of managerial commitment.

We draw upon the ideas we noted in our earlier paper (Lämsä and Savolainen, 1999). According to this, managerial commitment may not be as self-evident as often presented in the literature. Thus, managers' duty of loyalty to complex, and in many ways demanding and problematic changes can be questioned. Although managers need to commit themselves to the strategic course of action of a firm, a very high level of loyalty and commitment can also make them lock into a course of action that is outdated, risky, or even unethical. Consequently, we assume, following the ideas of Aristotle who claimed that virtues are a golden means between extremes, and excess and deficiency represent vices (Aristoteles, 1981), that a moderate level of commitment is often realistic and prudent (Wicks *et al.*, 1999, p. 102).

Our empirical study is based on the phenomenological-hermeneutic research tradition (Husserl, 1995; Saarinen, 1989; Schutz, 1980). Our purpose is to elicit from practical actors the ways in which they perceive and describe their experiences. Methods of social scientific research that are referred to as phenomenological-hermeneutic include a variety of schools (Burrell and Morgan, 1979; Tesch, 1990) that share two basic characteristics: they are interested in the intentional acts of individuals, and they are interpretative. While social scientific thinking is interested in trying to find out some general patterns instead of concentrating on single individuals, our purpose is to discover and systematize the meanings of managers' experiences and to build theory based on empirical findings. So, this study is exploratory in nature and, therefore, useful in establishing theoretical conceptualizations from the ground upwards.

The remainder of this article is organized in five sections. The first section contains a review of the commitment literature relevant to our topic. Then the second section contains a discussion about the role of managerial commitment in the downsizing and quality management literature. Third, we describe research methodology. Fourth, empirical findings, and a theoretical classification model developed in this study, are presented. Finally, we conclude the article with discussion of implications and avenues for future research.

Concept of commitment

According to Meyer and Allen (1997, p. 8), the meaning of commitment has two different connotations. The first involves efforts to explain that the nature of commitment that defines the relationship between an individual and some object can vary. The second involves attempts to distinguish among the objects to which an individual becomes committed.

Mowday *et al.* (1982) report that there is no agreement on the nature of commitment among researchers. Rather, they tend to ascribe their own meanings to the term. In addition, such concepts as loyalty, allegiance, engagement and attachment are often used as synonyms for the term. For example, Salancik (1977) defines commitment as a binding of an individual to behavioral acts. Furthermore, Ghemawat (1991) describes commitment as the persistence of strategies. Meyer and Allen (1997, p. 11; also Allen and Meyer, 1990) suggest that commitment is a psychological state that characterizes the individual's relationship with an organization, and has implications for the decision to continue membership in the company. According to them, commitment consists of three main elements: affective, continuance, and normative. Affective commitment means an individual's emotional attachment to, identification with, and involvement in the object such as an organization. Strong affective commitment means that an individual wants to stay in an organization, and she/he accepts its goals and values. Continuance commitment refers to an awareness of the costs related to leaving an organization. Individuals' link to the organization is based on the idea that they need to do so. Continuance commitment can develop as a result of any event that increases the costs of leaving, provided the individual notices that these costs have been incurred. Normative commitment is a feeling of obligation to continue employment. Thus,

individuals think that they ought to remain with an organization and, therefore, they remain by virtue of their belief that it is morally right to do so.

Porter *et al.* (1974; Mowday *et al.*, 1979) suggest that an individual's identification with an object is characterized by three factors: a strong belief in the organization's goals, a willingness to exert considerable effort on behalf of the organization and a desire to maintain organizational membership. Kahn (1990) argues that, when engaged, people employ and express themselves physically, cognitively, and emotionally. When not engaged people tend to withdraw and defend themselves during work performances. According to Randall (1987), the commitment literature is mainly based on the idea that high levels of commitment are good. For example, Meyer and Allen (1997, p. 26) remark that it would be tempting to say that if a company's goal is to develop a stable workforce on whose continued membership it can count, any form of commitment will suffice. Although they admit that some voluntary turnover is helpful, they basically seem to assume that a high level of commitment is good. As a whole, the question regarding whether high levels of commitment are good or not is not often discussed in commitment literature. Only occasional references to the possible negative consequences of commitment have surfaced, although findings from diverse literature suggest that there may be such dangers as a lack of creativity, resistance to change, tension in social and family relationships, and unethical acts committed on behalf of the organization (Randall, 1987). Randall suggests that much more than the prior research is needed concerning the relationship between levels of commitment and positive and negative consequences of commitment.

In the dominant tradition of commitment literature commitment is often considered as a unidimensional concept. However, this view has been challenged by Reichers (1985). He argues that organizations comprise different constituencies, each with its own targets and values. Commitment can be best understood as a collection of multiple commitments. Consequently, conflict may exist among an individual's commitments, and individuals may have different objects of commitment. When we think that someone is committed, we typically think that she/he is committed to something. We can focus on commitment to organization, job, task, career, profession and so on. For example, Gregersen and Black (1992) studied expatriate managers, and they found that

commitment of managers focus on multiple objects.

Although there is no consensus about the definition of commitment, many writers would probably agree on the following idea which we adopt in this study: commitment reflects the "psychological bond" that ties an individual to multiple objects but that the nature of the bond can vary (Meyer and Allen, 1997).

Two main approaches to studying commitment can be identified in research: the attitudinal and behavioral approaches (Meyer and Allen, 1997; Reichers, 1985). The attitudinal approach focuses on the process by which individuals think about their relationship with an object. Mowday *et al.* (1982) contend that it can be understood as a mind set in which people consider the extent to which their own goals are congruent to those of an organization. In the behavioral approach, individuals are viewed as becoming committed to a particular course of action. It relates to the process by which people become locked into an organization and how they deal with it. Much research of both approaches involves the quantitative measurement of commitment. Consequently, individuals are easily understood as objects that are caused to behave or react by forces acting on them, and much prior research relies on extensive measurements of personal attributes. In this paper, managerial commitment is explored by data gathering on managers' own perceptions of their beliefs and actions concerning commitment. In other words, instead of understanding a manager as a "reactive object", we are interested in the ways in which managers view their experiences.

Managerial commitment in the downsizing and quality management literature

There are two different directions within the management literature concerning such a strategic change as organizational downsizing (Palmer *et al.*, 1997). The first one deals with the assumption that such negative effects of downsizing as bad reputation, reduced morale among survivors, increased workload, possible problems arising out of relations with trade unions, eroding trust and so on can be reduced if the process is properly managed. For example, Lewis (1993, pp. 52-65) defines a proactive and strategic approach for managing successfully personnel dismissals in downsizing organizations (also Caudron, 1996; Feldman and Leana, 1994). Darling and Nurmi (1996)

explored downsizing, and they developed a model for management leadership as a key to organizational excellence. Although they view the development of committed people as important, they do not deal with managerial commitment as such. Drew (1994) suggests that leaders of downsizing organizations need special characteristics to be successful in their action. According to him, letting people go is the least pleasant managerial work. Although he discusses very briefly the topic from a manager's perspective, trying to illustrate some personal traits of a manager, he does not discuss managerial commitment.

The second direction of management literature concerning downsizing involves the assumption that cost cutting through downsizing is a solution to organizational problems as many organizations are "fat". This refers to an emerging collection of management philosophies which stress a return to basics, and an importance for success to become lean. The idea is that many companies can do much better with fewer people (Tomasko 1990, p. 26). The question of the beliefs of managers concerning layoffs is not much discussed in the literature of these philosophies, although Buono and Bowditch (1990, Murphy and Enderle, 1995; Lämsä, 1999) argue that managers should give careful attention particularly to moral issues surrounding dismissals in downsizing companies. The literature abounds mainly with descriptions and prescriptions of the practices and techniques of implementing lean management philosophies. The underlying assumption of literature is that, before organizations can achieve competitiveness and success, they need to cut costs by reducing the number of employees. In general, the assumption of managerial commitment is taken for granted.

However, Meyer and Allen (1997, pp. 82-7) discuss the commitment of employees, "survivors", in downsizing companies. They suggest that downsizing may have potential influence on employees' commitment. For example, organizations may try to maintain a high level of affective commitment among remaining employees by convincing them that their jobs are "enriched". Additionally, the uncertainty created by downsizing can make salient to survivors what they can lose should they be dismissed in the next round of downsizing. This focus on costs may increase continuance commitment. Survivors may also feel grateful for having been spared and develop a stronger sense of normative commitment.

As a whole, within the literature of downsizing, much research has emphasized the effect of downsizing on non-management

employees and survivors (Brockner *et al.*, 1988; 1987; Feldman and Leana, 1994). Also within the commitment literature the same kind of focus seems to be crucial. The focus upon managerial level is rare. However, Armstrong-Stassen (1998) points out that managers are no more immune to downsizing. That is why the question of managerial commitment to downsizing is relevant and much more than the prior research concerning the topic is needed.

Quality management starts with the question of how quality is achieved in an organization. This, in fact, addresses the crux of the matter in management: in general, what must be done and how (Kotter, 1982) to reach the expressed or implicit goals which, finally, facilitate achieving organizational effectiveness and high business performance. The TQM philosophy consists of a few mutually reinforcing principles. Each of them is supported by a set of practices and techniques. The ideas of quality gurus and practical frameworks contain partially unified activity principles and measures for the realization of quality improvement in an organization (Savolainen, 1997).

From a managerial perspective, we follow Beer *et al.* (1990, p. 179) who contend: "corporate renewal is not an impersonal process unfolding of its own accord. It is possible only when individual managers have sufficient commitment and skills." It is believed that management takes an initiative in seeking and adopting new ideas for quality improvement. Management is a "natural", active part of the dynamics of this organizational change process. Management functions as a catalyst and promoter, in bringing about a change, but managers are the objects of change at the same time as they catalyze and influence the change process. The interaction is bidirectional. Thus, the processes of organizational change are complex, involving multilevel managerial processes.

Implementing total quality management is an organizational change process, which often requires an extensive cultural change and, thus, takes years to become embedded in an organization (Olian and Rynes, 1991). As a strategic change process, quality improvement requires management's commitment. In the quality management literature, in general, management's role is considered preeminent, indispensable or even crucial (Deming, 1989; Juran and Gryna, 1988; Crosby, 1979; Feigenbaum, 1983; Lascelles and Dale, 1990; Savolainen, 1998). Prescriptions of management's duties include shaping organizational culture by promoting quality values, strategic quality

Anna-Maija Lämsä and
Taina Savolainen
*The nature of managerial
commitment to strategic
change*

Leadership & Organization
Development Journal
21/6 [2000] 297-306

management, the development and communication of quality policy, setting and measuring quality goals, and directing quality systems development. The well-known quality "gurus" underscore upper management's role and commitment and, in the literature, managerial commitment appears as a self-evident prescription widely regarded as a crucial requirement for successful quality improvement efforts. However, this prescription has hardly been called into question.

Methodology

Our research method of data gathering was through in-depth interviews. They give the possibility for interviewees to express their thoughts and experiences widely and deeply. There were 25 interviews: five top or owner-managers, five upper-level, and 15 middle managers. The managers came from six different companies, and they represent different business branches: several industrial branches in Finland, as well as services such as banks, hotels and restaurants. There are both female and male managers in the sample: six females and 19 males. The age of the managers varies from 30 years to 60 years.

We taped the interviews and transcribed them. The interview material was examined by us in the following way. First, we read the interviews several times in order to get a general sense of the whole text. Then, we went in detail through the material and separated from it instances which had relevant meanings from the commitment perspective (Stake, 1995, p. 75). The instances, which can be called "meaning units" (Giorgi, 1985, p. 10), were named conceptually and listed. This listing was further grouped into more general and abstract core themes. Finally, we synthesized groupings and themes into a consistent structure. All the time the connection between conceptual themes, interviews, and theoretical literature was considered essential.

Empirical findings

Based on the interviews we synthesized the nature of managerial commitment in two dimensions: reward-based and trust-based commitment. Both dimensions and elements affecting their formation are highlighted below.

Reward-based commitment refers to the advantages which managers perceive they can gain by committing. For example, a statement of a manager in a downsizing

company highlights this as follows: "This is a well-paid task, I have a family and everything, but if a fairy godmother would come and say to me that there is a possibility to become a member of a small company ... there is a small team and ... Anyway, if somebody would pay me five thousand more, I would leave". In a quality improvement company middle managers were skeptical about the undertaking. They describe their attitudes and behavior as calculative. Managers were concerned about how much time improvement efforts would take. They believed that they would not be able to perform their daily (routine) tasks. Some of the managers even asked top management to allow them to prioritize their daily duties over improvement-related tasks.

Reward-based commitment arises from the principle of personal utilities. Thus, the meaning of commitment is instrumental, and managers commit to change because they think it is important for themselves personally. The estimated advantages associated with participating are evaluated to be higher compared with the losses. Consequently, the perspective held about commitment is that of an actor her-/himself: commitment to change is reflected through one's own personality. In other words, the interests of a firm are important because through them some personal benefits can also be achieved. If a manager is not committed to change there is always a risk that benefits may be lost. The "psychological bond" that ties a manager to organizational change is the intent to gain personal benefits. Managers largely describe the relationship in a calculative way, and rational prediction seems to be an important part of it. It occurs when attitudes and behavior are adopted to gain specific rewards personally, and the possibility to gain rewards requires one's own effort.

The elements that underlie reward-based commitment formation are the following: economic advantages, status and social benefits, and interesting content of a task. They are material, social, or psychological in nature. If managers evaluate that they need some of them and the situation of change satisfies the need, they seem to prefer committing to change than to quitting. Consequently, trying to control the elements in an organization may influence this type of commitment in practice.

Trust-based commitment refers to the perspective of other than self in commitment formation. The following statement of a top manager from a company undergoing the process of quality improvement highlights this as follows: "It is top management's duty

to be responsible for the success and survival of a firm ... without committing to change this company would lose its competitive ability and, as a consequence, our people would not have work anymore". At the middle management level managers expected collective commitment and support from their colleagues and from a quality council. The following quotation of the hindrances of commitment illustrates this: "Lack of support. I had expected mutual support, and advice from a quality council and my boss." A manager in a downsizing company remarks: "I appreciate my boss. He did not want to be involved in my duties. He trusted in me, and he believed I am capable to manage change by myself".

Instead of the intent to gain personal benefits, trust-based commitment is created through emotional and value-laden bonds between a manager and change. The meaning of commitment is such that managers commit to change because they think it is valuable and emotionally important as such. It is conceivable that the elements of emotionality and morality of commitment are embedded within trust. Commitment is not only important for personal reasons but also for reasons which are outside the self. It seems to arise in social relations between people, and/or as a managerial belief of the good intent of change. Consequently, the recognition of a communal perspective instead of an individual one is in focus. The emotional and value-laden aspect of commitment seems to enable managers to move beyond a rational prediction to the direction of faith and reliance. Some kind of dependence on other people also seems to be relevant.

The elements that underlie trust-based commitment formation are the following: a feeling of being competent, a feeling of safety and caring, a sense of autonomy and empowerment, consistency and fairness in social relationships, especially with peers and supervisors, congruence in the values of a manager and the intent of change. As a whole, trust-based commitment formation implies managers' reliance on other persons, especially peers or supervisors, good intent of change, and fairness in a change process. The elements behind trust-based commitment have influence on the sense of being trustworthy among managers. This, in turn, create trustful attachment to change. So, the creation of open communicative and collaborative processes between partners involved in change seems to be important.

A theoretical framework of managerial commitment was developed as a result of our empirical findings (Figure 1).

We illustrate managerial commitment to change in the four theoretical types of commitment to clarify this phenomenon. Although we categorize commitment into four types, the actual commitment of managers can fall anywhere along the dimensions. Thus, commitment to change can reflect varying combinations of the two dimensions of commitments: reward- and trust-based commitments. The level of managerial commitment can be low or high depending on several individual and organizational issues affecting commitment formation.

The passive type of managerial commitment involves low reward- and low trust-based commitment. It is characterized by passivity and withdrawal without a full departure from the change process. In its extreme form this type of commitment can result in alienation or exit. From the perspective of organizational change, the passive type of managerial commitment can mean procrastination or even prevention of the change process. Managerial commitment may be a question of coercion or giving public impression, and it is more likely manifested rhetorically. In the calculative type of commitment personal rewards possibly achieved through change are relevant, and the basis for commitment is self-interest. In other words, commitment is created and maintained as long as rewards are high enough in relation to managers' expectations and needs. This type of commitment can be supportive from the viewpoint of change, but it may also have destructive effects. In its extreme form the calculative type of commitment can result in greed and opportunism, which, in turn, may have such destructive consequences as a lack of long-term or communal perspective. Also the trustworthiness of managers themselves may be questioned, and it may have negative influence on the attitudes and motivation of other people involved in change. The trustful type of commitment is characterized by a manager's moral and emotional attachment to change. It also contains experiential and intuitive elements which are partly difficult to control by an organization. From the perspective of change, trustful commitment is a constructive facilitation of the change progress. However, in its extreme form it may lead to naivety: a manager can trust blindly (Wicks *et al.* 1999, p. 100) and, as a consequence, she/he loses the critical viewpoint often needed in a successful change process. In other words, a manager can become locked into the course of change without criticism. Also her/his self-interest can be sacrificed for the communal good.

The balanced type of commitment is the "moderate"-level combination of trust- and high reward-based commitments. Managerial commitment is characterized by both self-interest and communal perspectives. On the one hand, the trustful type of commitment helps to avoid greed. The trustful view of change is optimistic and involves emotional and moral perspectives which managers need in order to be able to value change. This, in turn, may enhance the performance of other people facilitating a change process. On the other hand, the calculative type of commitment avoids foolish trust. Managers consider their own interests and investments in relation to change, and this may be helpful for them not to "become sacrificed to change". Therefore, we see the balanced combination of both dimensions - reward-based and trust-based - as being "sensible and prudent" in managerial commitment.

Discussion and conclusions

Our findings call into question the general assumption that managers are always committed professionals dedicating themselves to such a company goal as strategic change. According to our study, managerial commitment to change is a complex construct, and its consequences may also vary. Commitment is a dynamic and multiple concept rather than an either/or phenomenon. It is contextual and shaped by dynamics specific to certain cultural and social contexts. Therefore, commitment cannot be easily or rationally controlled.

According to this study, the commitment of middle and upper-level managers can especially be a complicated issue. Their commitment to change can sometimes be questioned. The context of strategic change

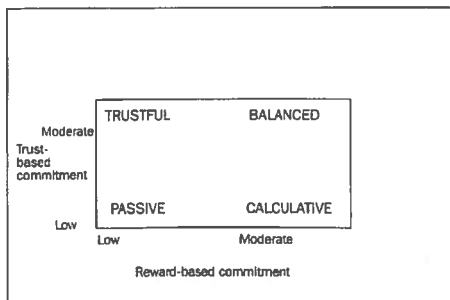
may be critical especially in the sense of eroding commitment, and there can be a risk that a manager leaves the company. This in turn may cause such negative results as additional costs and a declining reputation. Critical skills may also be lost. For example, in downsizing literature it is often argued that competent and most valued professionals may have the intent to leave the organization because of their good possibilities to attain new jobs (Drew, 1994; Mone, 1994). However, based on this study we argue that the intent to leave is not only a result of an individual's competence. We propose that it may also be a result of eroding commitment. This proposition is consistent with Armstrong-Stassen's (1998) study that showed that such change as downsizing has a negative effect on managerial commitment. Also such strategic change as quality improvement may sometimes have a similar effect on commitment.

To conclude, the commitment of managers is not as self-evident as the commitment literature seems to assume. Literature and research should not only pay attention to the commitment of employees - the perspective which traditionally has been in the limelight - but that of managers, too. This seems to be especially essential when it is a question of professional managers who are not in the position of ownership. We suggest that further research is needed on this topic.

Reward-based commitment presented in this study underlines the idea that the more varying types of benefits a manager can gain in relation to predicted losses, the higher the commitment. However, it may be possible that counter to this view other elements, such as family responsibilities and general financial conditions of managers, may have an influence on commitment formation. Thus, such elements may create a feeling of a lack of choice in managers' relationship with change. We argue that reward-based commitment may not only be based on predicted rewards compared to losses, but it may also be based on an individual's experience with external pressures and a lack of choice. This may have a weakening effect on commitment. This is a perspective which has not been very much a subject of interest in commitment literature. We suggest that further understanding of this question is needed.

The general assumption in commitment literature is that people need material, social or psychological incentives and rewards which facilitate identification with an organization. We argue that this explanation is one-sided. Our study shows that the idea of rewards and incentives is based on a narrow

Figure 1
Theoretical framework of managerial commitment



view emphasizing human beings as utility-maximizing, self-interested, and rational. As a result, people in organizations are viewed as competitors to each other instead of being collaborators. Although we see rewards as a part of commitment, we suggest that they are not a sufficient base for understanding the nature of commitment. Rewards are meant to satisfy needs of individuals, but one can never know all the needs of people. Thus, an attempt, for example, to increase managerial commitment by trying to know and satisfy managers' needs, is endless. A view of a human being as a self-interested "calculator" does not make sufficient allowance for their complexity and characteristics. However, basing research on the self-interested "calculator" assumption becomes easily self-enforcing and taken for granted, and, thus, difficult to change. Finally, a narrow view of humans as rational calculators is not only an economic but also an ethical concern. Therefore, we propose that further research should put greater emphasis on studying the meaning of trust in the context of commitment.

Research concerning trust in commitment literature seems to be scarce, although more attention has been paid lately to this concept in organizational studies (e.g. Dobson and White, 1995; Hosmer, 1995; Wicks *et al.*, 1999). For example, Dobson and White (1995, p. 474) note that trust is a morally desirable phenomenon in and between organizations, and it can be a feasible implicit contractual mechanism among partners. Additionally, Hosmer (1995, pp. 379-80) says that despite lack of agreement on a suitable definition of the concept of trust, trust seems to be essential for understanding, for example, organizational behavior. According to him, there is agreement concerning the importance of trust in human conduct. Our study showed the importance of trust in commitment, and the elements that may be relevant in trust-based commitment formation. However, further research is needed to investigate this phenomenon more thoroughly.

We conclude that both types of commitment presented in our study are needed in "prudent and sensible" commitment. We argue that reward-based commitment is a meaningful part of commitment. However, it hardly provides a complete understanding of commitment on its own. Trust-based commitment is also important for several reasons. First, it is important because it may help a manager to avoid opportunism which, in turn, can mean negative effects on organization. Second, it may have positive effects on an

organizational performance. Third, it can be an emotional and moral glue that binds individuals to an organization and tasks there. Therefore, creating trust-based relationships can be a successful means to achieve important organizational goals such as a good atmosphere or a positive image. However, good human communities are not only a means for other goals; they are also ultimate goals in themselves. We suggest that trust as an ethical and emotional challenge plays an important role in them. However, relying alone on trust-based commitment may lead to naivety. That is why it is proposed here that the "sensible" combination of the two dimensions presented above is needed for achieving a balance in managerial commitment.

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ARTICLE III

Organizational downsizing – An ethical versus managerial viewpoint

By

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Organizational downsizing – an ethical versus managerial viewpoint

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Keywords

Downsizing, Ethics, Organizational change, Finland

Abstract

Since the 1980s downsizing has become popular in western companies. It is a pervasive and understudied phenomenon. Downsizing means a big change in the firm's situation. Managing change has been much researched, but often only during a growth period. So, the question of management and leadership of downsizing is a relevant and an independent research issue. This article considers the experiences of four case-managers who have participated in managing staff reductions in big Finnish firms. As managing downsizing can be ethically demanding, even a problematic challenge for a manager, the managers' experiences are described and interpreted from the ethical viewpoint. The study is designed to contribute to theory by generating some exploratory conceptual themes based on the in-depth interviews. It tries to elicit from actors the ways in which they understand ethical concerns in their managerial work, and then proceeds to refine and clarify the concepts and build theory.

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Introduction

Organizational downsizing or the intentional elimination of jobs and positions has been popular since the 1980s in western countries. Cameron (1994, p. 183) argues that downsizing is probably the most pervasive yet understudied phenomenon in the business world. Downsizing as a management technique increases the variety of demands put on the managers who are responsible for the reductions in personnel. The managerial perspective of downsizing is, however, quite rarely found in research. According to Palmer *et al.* (1997, p. 624) there are two different tendencies within the management literature concerning downsizing. The first one involves the assumption that the negative effects of downsizing can be reduced if the process is appropriately managed. The second one focuses on the relationship between downsizing and strategy. This involves the assumption that cost cutting through the use of organizational downsizing is a solution to many organizational problems as many organizations are fat and lazy. These tendencies do not study the phenomenon from the point of view of the actor or the terminator (Kilpatrick *et al.*, 1991, p. 41). That is why we will concentrate on the terminator in this study. Freeman and Cameron (1993) have argued that the downsizing activity can be applicable to both declining and growing organizations (D'Aveni, 1989). In this study, our focus is on declining organizations which have resorted to massive personnel reductions in their downsizing activity.

According to Cameron (1994) downsizing is becoming the norm rather than unusual practice. It typically aims at such goals as reducing costs, increasing productivity and restructuring work processes. However, it has been argued that most firms do not

succeed in achieving the goals and there are often many unintended consequences (e.g. Cameron, 1994; Drew, 1994; Tomasko, 1990). Despite these problems, downsizing seems to continue apace, and a large number of organizations have embarked on systematic downsizing. For example, Drew (1994) argues that downsizing is not simply a part of recession which will disappear when good times return. Major staff reductions have been announced in European, Japanese and North American multinationals. Massive staff reductions radically change managerial work. However, knowledge concerning managing downsizing and reducing staff is not very common. Most attention in managerial literature aims at managing growth. Downsizing means a big change in the situation of a firm. Managing change has been much researched, but often during a growth period. Executives have acquired talent only for building organizations, and not shrinking their size (Tomasko, 1990, p. 215).

There seems to be an obvious shortage of knowledge in managerial and also leadership literature concerning the issue. The study reported here is an exploratory study and focuses on the experiences of the managers who have participated in managing downsizing and massive staff reductions in their firms. Our aim is to find something which is crucial in the managers' explanations, and develop a description based on the reality of the managers' experiences. Here, we have assumed the idea that the source of a human being's thinking and acting exists in his/her world of experiences. An individual expresses his/her experiences through language and in this way he/she constructs the sensible reality.

We assume that downsizing is ethically demanding and a problematic experience for a manager. In such a situation a manager probably meets with questions to which there is not necessarily any right or wrong answer, and thus there are ethical dilemmas

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involved in the situation. It is assumed that managers probably meet contradictory questions when they try to justify downsizing and massive staff reductions in their organizations (Hosmer, 1987). As the situation is supposed to be ethically demanding the managers' explanations will be interpreted from the ethical viewpoint.

The research reported here is designed to contribute to theory by generating conceptual themes based on empirical research. The aim is to interpret the explanations of the managers from an ethical viewpoint and to suggest directions for future research. This article is in four parts. First, some theoretical background and key concepts are presented. Second, the research methodology is outlined. Third, a description and interpretation of the main empirical findings based on the managers' explanations are presented. Fourth, a summary of the main ideas and a discussion concerning future research are made.

Theoretical background

This study is based on the interpretative phenomenological-hermeneutic research paradigm (Burrell and Morgan, 1989; Kusch, 1986). The aim is to get an inner look at the research phenomena, and thus find out the most essential and central aspects of the managers' experiences. The study is descriptive, interpretative and exploratory. The interpretative research focuses on the meanings attributed by the individuals. The reality is understood to be a subjective construction of the individuals who, through the use of language, create and sustain the social world (Berger and Luckmann, 1966). In this study, the attempt is to find out how the managers make sense of and explain their experiences concerning downsizing.

The interpretation of the managers' explanations is made from an ethical viewpoint. Ethics is defined by Saarinen (1985, p. 414) as a division of philosophy which includes studies of the nature, the origin and the field of good and bad, right and wrong, justice and other concepts related to these ideas. The concepts of ethics and morals are closely related and in this study the terms are used interchangeably. This study belongs to the field of business ethics. There are several definitions of the concept of business ethics. Here, business ethics is understood to be a systematic study of business from an ethical point of view (De George, 1989). As a business organization has different levels, one can presume that people at different levels have a different uptake on ethics. The level observed

in this study is that of an actor, a professional manager of a downsizing firm. According to Brigley (1995), one main problem in business ethics research is the fact that it has been mainly positivist in approach. The surveys common to a positivist research typically probe participants' attitudes in response to ethical difficulties presented in the form of questions or vignettes. The problem with surveys is that they do not reveal the deeper ethical understanding of social actors. The exploratory and interpretative research can open new and rich vistas to the moral problems and questions the actors face in their real work.

Frankena (1963, p. 4) distinguishes three kinds of thinking which relate to ethics in one way or another. First, there is descriptive empirical inquiry. Here, the goal is to describe and explain the phenomena of morality. Second, there is normative thinking which may take the form of asserting a normative judgment and giving or being ready to give reasons for this judgment. Third, there is also meta-ethical thinking which asks and tries to answer logical, epistemological or semantical questions. This study is categorized as being part of the descriptive empirical field of business ethics. According to Donaldson (1989, pp. 159-60), the socio-psychological viewpoint in managerial literature is close to the descriptive business ethics.

The main theories that deal with normative ethics are utilitarianism and deontology. Utilitarianism holds that the moral worth of behavior can be determined solely by the consequences of that behavior. The main idea is that an act or decision is "right" if it results in benefits for people, and it is "wrong" if it leads to damages or causes harm. The utilitarian idea can be summarized by the phrase, "the greatest good for the greatest number" (for example, Frankena, 1963; Beauchamp and Bowie, 1979.) So, the principle of utilitarianism is that people should always act in ways which maximize the net social benefits of their actions. Thus the decision maker should evaluate each decision alternative, determine the positive and negative utilities arising from the alternative, and then select the one which produces the greatest utility for a society. It is, however, often difficult to measure many of the nonmaterial benefits for a society, and it is even more difficult to measure the non-material harm. The overall rule is that you measure the benefits and harm as best you can. Then you try to choose the course of action that results in the greatest benefit for the society of which you are a part (Hosmer, 1994). Utilitarianism seems to have been

accepted by business people, which may in part be due to its tradition in economics.

There are two main types of utilitarianism:

- 1 act; and
- 2 rule.

Under act utilitarianism the decisions are evaluated when the moral value of a decision is determined by the consequences of the specific act. Rule utilitarianism prescribes such rules which if followed over time will produce the greatest net utility. This may not be the case for a specific act (Fritzsche, 1997).

Deontology emphasises duties and obligations. Kant, the main advocate of deontology, provides much of the reasoning that underlies modern deontology. He has formulated moral rules which are rational and which must apply to all rational beings. In this theory, rules of morality are binding for all rational beings and what is important is their will to carry them out. Kant's "categorical imperative", for example, is that "one ought never to act unless one is willing to have the maxim on which one acts become universal law" (Kant, translated 1959). Here, Kant is arguing that an action is morally right only if you would be willing to have everyone act the same way in a similar situation. Another of Kant's maxims is "act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only". Kant advocates that people should never be treated only as a means to an end but also as ends in themselves or both as means and ends. The categorical imperative is a moral law which must be obeyed. Kant emphasizes the importance of duty. The fact that the act may provide benefit does not have any bearing on moral value (Fritzsche, 1997.)

Moral problems in management are usually very complex. For example, Nash (1993) argues that there are two different types of ethical problems in business. There are problems of uncertainty. These are, for example, cases where managers do not know or do not agree on what constitutes right or wrong. Conversely, there are problems where a manager knows what is right and wrong but fails to do the correct thing. The manager can face both types of problems in managing downsizing. One other problem is when downsizing is hurting or harming others in ways that are outside the manager's own control. The ethical problem becomes even more difficult if it results in contrasting outcomes, with benefits for some and damages for others. Through downsizing the company usually aims to achieve better financial results and profitability under conditions of increased competition or

declining market. In such a situation, the managers have to select people who will be laid off and those who will be retained. If the company's financial position is poor, even those whose motivation and skill are unblemished might become redundant.

Social psychologists have provided both theoretical and empirical evidence concerning individuals' behavior in ethical predicaments. People seem to be motivated to behave according to custom in order to avoid the negative consequences associated with unconventional behavior in moral conflicts. If it is not possible to behave conventionally, people attempt to normalize or positively influence the perceptions that audiences form of that behavior. These efforts to influence the perceptions have been referred to as impression management (Konovsky and Jaster, 1989). For example, Goffman (1963) interpreted social behavior in terms borrowed from the theater. He suggested that people are viewed as social actors or actresses who engage in performances. They try to convey a favorable impression on others. In fact, much of the work on attribution theory (Tenbrunsel *et al.*, 1997) is concerned with the way that people associate their behavior with discrete causes, and thus focuses on the explanations that individuals construct for social events. It seems to be important for people to explain their performances in a way that places their behavior in the most favorable light. Studying the explanations that individuals use when they experience moral conflicts will provide information about the ways and mechanisms people use to avoid accusations of possibly unethical behavior. By this means it may be possible to contribute an understanding of how the reality of downsizing is constructed and managed by the managers (Palmer *et al.*, 1997).

Research method

The research method of data-gathering is through taped, in-depth interviews. These enable the managers to give rich and full descriptions of their experiences. There are four Finnish case-managers representing several big firms and different business branches: industry, bank, hotel and restaurant. All case-managers are interviewed twice. So, there are eight in-depth interviews. The interviews are recorded, and the conversation in the tapes has been transcribed verbatim.

The managers who are researched are selected by dimensional sampling (Arnold, 1970). This method is suitable for studying a

small number of cases. The dimensions of a sample represent the features by which the cases vary. In this study the dimensions are selected with the aid of variables describing different ethical orientations of individuals. Two dimensions are selected, each of which is further sub-dichotomized into separate categories, thereby creating a four fold combination. The first dimension is based on the gender of managers. There are several studies which give evidence that the ethical orientation differs between genders (Gilligan, 1982; Ruegger and King, 1992; Mason and Mudrack, 1996). The other dimension is based on the managers' experience concerning downsizing:

- 1 one downsizing process lasting no more than two years;
- 2 several downsizing processes at least during last ten years.

For example, Konovsky and Jaster (1989) and Harris (1990) have reported results which give evidence that the experience in managerial positions has influenced the ethical orientation of a manager. Based on this four-class typology one representative of each class was selected:

- 1 a woman who has been managing the downsizing activity during the last two years;
- 2 a woman who has been managing several downsizing activities during the last ten years;
- 3 a man who has been managing the downsizing activity during the last two years;
- 4 a man who has been managing several downsizing activities during the last ten years.

All representatives are professional managers. In this article managers studied are called A, B, C and D. Manager D has experience in several Finnish companies, while A, B and C have their experience in only one company.

Empirical findings

Theme 1: downsizing as a means to economic consequences

From the managers' perspective, the central meaning of downsizing seems to be that it constitutes an advantage to the company. The managers explicate this by statements like "the goal is to achieve cost savings very fast or otherwise the company will go into bankruptcy. If you do not downsize, nobody has work. It would be easy to do nothing and it would be the worst solution, because everybody loses" (A). "It is the success of the company which I have to think of when

downsizing and reducing personnel, that is the main idea" (B). "This is hard business ... there are certain economic goals ... we are in the leaking boat, I have to throw some people overboard" (C). "I check financial numbers and the situation is such that the staffing is at least threefold compared with the activities" (D).

The managers view the advantage to the company from the viewpoint of economic consequences. The expectation of cost savings is seen as the most important goal of downsizing. This goal is viewed as relatively unproblematical, although some disadvantages like bad reputation, stress and dysfunctionality among personnel are reported. For example, D comments "when downsizing plans are announced, some people begin to visit me and their message is that I am a good employee but he/she/they are not". Or A describes, "there are many rumours, people are angry and there are unofficial meetings on the floor". Or C says, "the climate in the firm is bad, even hostile", and B reports, "people begin to cast sulky glances". The meaning of disadvantages to the managers is only limited to the fact that they worsen the possibilities of achieving the economic goals of downsizing. For instance, the disadvantages are not seen as "normal" behavior in a stressful and difficult situation. The meaning of disadvantages for employees is not considered. Or they are not interpreted as a result of unsuccessful management in the situation. They are simply understood as unsatisfactory side-effects which should not occur. Thus the causes of the disadvantages and possible failures in management are attributed to external, deterministic factors like "bad-behaving" subordinates.

Palmer *et al.* (1997) have reported that external "determinist" explanations are often used to deflect "blame" away from possible poor management and toward forces that managers do not control. From the ethical perspective this means that the managers might have a tendency to transfer the responsibility concerning disadvantages to other people. Conversely, the finding might also suggest that the managers are trying to convey a favorable impression to the researcher as "an outside expert". They might want to give an impression that they are not responsible for the disadvantages, and that is why they are good managers. Goffman (1963) referring to the terms of the theater states that just as actors or actresses are rewarded when an audience is pleased, many people consider that it is in their best interests to impress others favorably (Konovsky and Jaster, 1989). The favorable impression and the external deterministic

explanations might also imply a face-saving effort.

Explanations are probably used in order to save the reputation and the face of rational management. According to Widen (1993) it is especially typical for the Finnish culture (and Finnish managers as members of this culture) to use face-saving devices. The use of such devices probably becomes more common when it is a question of justifying unpleasant and irrational issues which are interpreted as threats for rational management.

In general, the managers seem to believe that financial problems will disappear through downsizing. To them economic consequences seem to justify using downsizing as a managerial technique. From the ethical viewpoint the managers' descriptions of the goals reveal a utilitarian tune. Utilitarianism is committed to the principle of the good, for it assumes that people ought always to produce the greatest possible balance of value for all persons affected (Beauchamp and Bowie, 1979). The means of good seem to be through achievement of efficiency which is in turn attained through downsizing. This gives downsizing the role of being a means to better efficiency. The utilitarian orientation reported here is similar to the finding of Premeux and Mondy (1993) and Fritzsche and Becker (1984). According to them explanations provided by managers are predominantly of a utilitarian nature.

However, efficiency and downsizing are instrumental "goods". They are valuable only as a means to achieving the final goal of the rehabilitation of the business and survival. If downsizing is not carried out, business will die. Downsizing acts as a means to the maintaining of the myth that firms are immortal. When the number of personnel is reduced through downsizing activity, the life of a firm is extended. Frankena (1963, p. 30) describes this act-utilitarianism by commenting that a person tries to see which of his/her actions is likely to produce the greatest balance of good over evil. If the good is the survival of a firm, and the evil is the death of a firm then downsizing is interpreted as a good action. Here, the good resulting from downsizing is seen only from the firm's perspective. In other words, downsizing is not considered from a societal perspective. This means that the utilities gained are those of a firm. In order to achieve the good the managers give personnel only an instrumental value. This is explicit from the following statements, "You think of them as numbers" (A), or "I go through the financial numbers and compare the results with the number of people" (D). This can be

interpreted to mean that although personnel numbers will be reduced in downsizing activity, the world (i.e. the firm) will not be worse off than earlier. Human beings are valuable only so far as certain cost savings can be reached. The traditional management views employees as "parts of a machine" (e.g. Taylor, 1947). This suggests that the modern view of personnel as an important and a strategic resource of a firm (Beaumont, 1994; Hendry, 1995) is easily replaced by the traditional view of personnel as a mechanical part of a machine or as a cost-factor in downsizing activity.

Theme 2: managerial obligations of downsizing

The managers explain that it is their duty as professional managers to take care of the company's advantages. The professional managers feel that they are obliged to consider the interests of the firm for which they work. The loyalty is characterized by the first-person possessive pronoun, "my" and "our", in the explanations (Fiedler, 1992, p. 80). For example, C says that "we have to do difficult cutbacks", and A comments "it is my duty to see what are the interests of the company". Managing downsizing through massive personnel reductions has the status of an obligation. This implies an identification with the company. Although planning and implementing downsizing is understood to be an unpleasant task, the managers also describe a sense of worth and accomplishment, obtained by accomplishing goals of the company. For example, B says "it is my duty to take care of this business and I want to carry out that responsibility".

The managers do not criticize downsizing very much. They are loyal. For example, A comments "it is not my business to criticize the owners". Or C states "we should emphasize owners' interests more". The "good" end, survival, justifies the means, and other alternatives are not considered. It is just A who speaks of quality management, saying "you can achieve cost savings through quality management too, but it takes time. It is easier to reduce personnel and you get your results for sure". Thus, downsizing is mainly interpreted as a given fact by the managers and not questioned. Thus loyalty results in subordination of the professional manager's autonomy to the company. The managers prefer to be known as loyal and good professionals accepting and following the values and norms (downsizing as a good action necessary for survival and efficiency) of a firm. There are at least two possible interpretations here. First, since the managers view the situation as particularly critical and

choose to demonstrate their obedience to the company. Second, the obedience might be a result of a very strong identification with the company's goals with the professional managers viewing themselves as instruments for implementing the company's interests. D's comment "I am just a rebuilder" or A's statement "I just follow orders" hint at this. The managers fear that if they were not loyal they might be regarded as guilty of moral failure. This is why they see managing downsizing as an obligation rather than a morally optional act. This implies that the managers possibly accept downsizing to be a more or less orthodox activity of the firm. This in turn may result in increased downsizing activities without serious consideration of alternative choices.

Although downsizing is seen as an obligation without much criticism the managers emphasize fair treatment of people in the process. They feel it is their duty to make fair decisions concerning lay-offs. For example, C says "I tried to make fair and right decisions when dismissing people". B says "to follow the legal rules is important ... it must be fair, too. You have to be brave enough and meet employees personally. I have to stand in front of personnel, although it is difficult ... you have to say it face-to-face" (A). "We went through the facts together with the representatives of employees ... and many people said that they want to know the number of people who will leave. Well, it must be a clear and fair process and justified, too" (D). These statements refer to a concern for procedural justice, i.e. the process by which decisions are made and how they are explained. Following the law, fair treatment and justification in decision making and face-to-face interactions seem to be essential in the managers' explanations concerning procedural justice.

As the managers speak of procedural justice the focus is on the obligations toward employees. For example, an emphasis on the interpersonal interactions during the process suggests that the managers interpret a voice procedure with justifications to be a fair way of managing the situation. Bies and Shapiro (1988) have reported similar results concerning unfavorable job recruitment and budget decision making. Here, a voice procedure means a process that allows people an opportunity to provide inputs to the manager through interpersonal discussions. In general, the managers seem to keep interpersonal discussions fair and reasonable as such. This refers to the idea that the company has obligations toward people who have served it. Here, the obligation is a fair treatment and it is understood to be the duty of a good

manager to take care of this. This brings a human and a care aspect into the managers' explanations. Conversely, it has been argued that voice procedures and justifications can also be used for manipulation through impression management (Bies and Shapiro, 1988, p. 683). Impression management aims at creating feelings of procedural fairness. For example, C says "I went to lunch with that person (a manager who has to leave), we had some beers and we spoke many times during the process and we negotiated ... I want to be sure that he will have a good feeling after this". Through a voice procedure the managers may want to give an impression of a firm as a caring and a responsible employer. Or it can be used in order to "buy the later silence" of dismissed people, this means an effort made to avoid legal claims or unpleasant publicity afterwards. This implies that a strategy to maintain the reputation of the firm is followed.

In general, there is a deontological tune in the explanations concerning managerial obligations of downsizing. According to the managers, loyalty and obedience are the rules which good professional managers ought to follow. Besides that, it is also the manager's duty to treat employees fairly and with respect in the process. Instead of being "parts of a machine" personnel are understood partly as an end in themselves. Such behavior is in accordance with Kant's second categorical imperative which requires that people should always treat each other as ends in themselves and never as simply means. In deontology, duty is the proper motive for moral action. Acts carried out from moral duty have moral worth, and there is a definite source of their worth. That source is found in a principle that determines how an individual ought to act in a given situation (Kant, 1959). However, the explanations also contain a rule-utilitarian tune. This can be implied from the impression management attempts to give, aimed at creating feelings of fairness in the downsizing process. Here, actions and judgments aim to conform to moral rules advocated both by the firm and the wider society. Rules thus have a central role to play in determining correct behavior (Beauchamp and Bowie, 1979). Overall, rule-utilitarianism emphasizes the centrality of rules in morality by insisting that we generally determine our actions in particular situations by appealing to a rule, e.g. fair treatment of employees. Exploration of alternative courses of action that might yield a better solution is ruled out by such utilitarianism (Frankena, 1963, p. 30). Rule-utilitarianism is close to deontology. However, unlike deontology, it emphasizes rules

which promote the greatest benefit for everyone.

Summary and suggestions for future research

As stated earlier, the main purpose of this study is to conduct a descriptive and an interpretative research concerning the ethical experiences of four Finnish managers who have participated in managing massive staff reductions in their firms. The study is designed to contribute to theory by generating some exploratory conceptual themes based on the empirical in-depth interviews. As the study is exploratory, it aims to establish theoretical conceptualizations from the ground upwards. We conclude with suggestions about future research.

The main findings of this study are summarized in Table 1.

The empirical findings have the following implications. First, downsizing is viewed by the managers as a means to achieve economic consequences. This viewpoint emphasizes utilitarian ethics and rational management, as the emotions of employees in downsizing situations either are not considered or explained away as "irrational disadvantages". This suggests that the managers have a mechanical view of ideal management where only economic goals to survival receive consideration. If "irrational disadvantages" occur, they are easily interpreted as failures or abnormalities in relation to the ideal image. In order to maintain the perfect and infallible image of the firm, the managers generally use external "deterministic" explanations. This may imply a tendency to transfer the responsibility of experienced failures or abnormalities to other people, e.g. to "bad-behaving" subordinates. In this way the managers may also try to save their own reputation as rational managers. The possible connection between the image of rational management and the responsibility avoidance behavior of managers when they are confronted with emotional and "abnormal" issues is an interesting and a necessary direction for future research. In general, questions con-

cerning emotions, their management, emotional issues in leadership, connections between emotions and ethics reveal a rich new research agenda for management and leadership research.

Second, managers view downsizing as being part of managerial obligation. The managerial obligations, a duty to be loyal to the goals of the company and the duty to treat people fairly in the situation, have a deontological and a rule-utilitarian tune. This implies that downsizing may easily be accepted by the managers as an usual and unquestionable strategy of the company. Future research should explore if this conclusion reported here is a common tendency in organizations. Is downsizing becoming an unquestionable habit rather than a strategy to be used consciously when needed?

The duty to treat people fairly is worked out through procedural justice. This study suggests that the company's attempt at fairness in procedure may be the outcome of dual intentions. The first one is that since the company has obligations toward people who have served it, it is the manager's sincere duty to take care of the people who leave. This intention is based on the deontological reasoning. The second intention may be to create a feeling of care among employees (impression management). In such a case, procedural justice often takes the form of voice procedure. Correct delivery of traumatizing information is used to lull the workers into a sense of wellbeing and general sympathy for the company. Voice procedure may be a means of wriggling out of a sticky situation, e.g. litigation by workers against the company which might harm the company's reputation. Here, a rule-utilitarian tune can be found. Impression management and its connection to the procedural rules are a very interesting and promising research area. Interesting areas of research may be the games that are played in organizations in order to maintain their reputation, activities of the organization, whose existence may be hidden from the public eye.

In general, the study made here suggests that the case-managers' perspectives about downsizing issues are primarily of two kinds – that of the firm and that which arises out of

Table 1

The themes and the key features that emerged in the interviews

Key features	Theme 1: downsizing as a means to economic consequences	Theme 2: managerial obligations of downsizing
Main idea	Rationality	Loyalty and fairness
View of personnel	Instrumental	Partly an end in itself, partly instrumental
Observation viewpoint	Company's	Both the managers' themselves and the company's
Ethical perspective	Utilitarianism	Deontology and rule-utilitarianism

their position as professional managers. Societal perspective is not part of their explanation criteria. This may also mean that the managers' perspectives are maybe narrower than usual in the case of a declining situation where economic crisis is at hand. If this interpretation is correct, it implies that when immediate short-term goals instead of long-term goals are the focus, perspectives become narrow and restricted. This might be an important future research question to study. It would also be interesting to explore whether it is a common phenomenon for managers to understand the world of a firm as a whole world and neglect wider social issues, especially in situations of economic crisis.

Finally, if the managers' explanations are considered on the basis of ethical theories, the utilitarian approach seems to be prevalent when the managers adopt the viewpoint of their firms. But as soon as they begin to explain their experiences from a "self-perspective" (me as an actor), the tune of explanations changes. Now a deontological tune begins to creep into the explanations. They begin to make a division between public and private morality. Public morality is tied with the organization and it emphasizes utilitarian outcomes. Private morality prevails when people act more as social individuals, and stress principles and rules of acts based on deontology (Takala and Uusitalo, 1995). But as soon as the managers try to combine private and public morality the explanations become tuned by rule-utilitarianism. The managers then try to figure out the rules which may promote the greatest good for everyone. This everyone, as stated earlier, constitute only people inside the firm and not all people from "society" as a whole. In essence managers in situations of crisis have a unique "ethical viewpoint".

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ARTICLE IV

**Organizational downsizing and the business manager in a Finnish context: A
discourse analytic framework and its application**

By

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ORGANIZATIONAL DOWNSIZING AND THE BUSINESS MANAGER IN A FINNISH CONTEXT: A DISCOURSE ANALYTIC FRAMEWORK AND ITS APPLICATION

Abstract

This study investigates the discursive construction of organizational downsizing and the identity of business managers in the articles of a leading business newspaper and magazine in Finland. The aim is to develop a discourse analytic framework and to apply it to an empirical study. Four discourses which construct downsizing and managers are derived from the articles. The analysis shows that downsizing is not called into question but rather accepted as a given practice. Managers' identities in the discourses vary, but generally they are represented as blameless in relation to decision-making of downsizing. The study suggests that the underlying assumption in the texts is that downsizing is the single efficient change strategy to improve the functioning of a company. This taken-for-granted assumption may be one reason for the continuous occurrence of the phenomenon. It is proposed that to be able to question the phenomenon, the storytelling tradition which helps people to experience phenomena personally could be valuable in developing alternative perspectives. Finally, an action research is suggested as a suitable method for studying the effects of the use of storytelling in practice.

Key words: organizational downsizing, manager, Finland, discourse analysis, ethics, mass media

INTRODUCTION

Since the eighties, there has been a determined drive towards downsizing in organizations in the Western countries, Finland included. Despite the fact that Finland, like the Nordic countries in general, shares a normative tradition which emphasizes the ideals of full employment, permanent employment contracts, and social responsibility, there seems to be no end in sight to downsizing (Julkunen & Nätti, 1999). It has been argued that this phenomenon not only causes structural unemployment in the economy and breakdown of the traditional societal value basis, but also that the downsized organizations frequently fail to achieve their intended aims (e.g. Amabile & Conti, 1999; Armstrong-Stassen, 1998; Cascio et al., 1997; Fischer & White, 2000; Lämsä, 1998; Rayborn, 1999). Regardless of such evidence, it appears that downsizing, once was viewed as an indicator of organizational decline, has now gained a legitimacy which is not often called into question (McKinley et al., 1998; Lamertz & Baum, 1998). Clearly it is a strategy that is popular and enduring, although not always productive or valuable.

Since downsizing, nevertheless, is likely to continue, it is important to question why organizations downsize despite the many unintended and disadvantageous effects involved. For example, Cameron (1994, pp. 183 – 185) notes that downsizing may be the “most pervasive yet understudied” business phenomenon. He further adds that the phenomenon has been approached atheoretically and that the number of systematic studies on the issue is “paltry”. In fact, few efforts have been made to systematically consider why this event continues to occur (Budros, 1999), and we thus have an inadequate understanding of this vital issue. My article represents an attempt to take the question of downsizing and its persistent occurrence seriously. The aim of the paper is twofold: to develop a discourse analytic framework for studying the phenomenon, and then to apply it to an empirical study in the Finnish business context.

The basic assumption of this paper draws on the idea that organizational practices such as downsizing are not only constructed and legitimated in organizations but are also influenced by society-level forces. One such powerful force in the present day are the mass media. They create a large portion of our values and beliefs, and thus influence our way of thinking and acting. It is widely recognized that the media are a central field for the production, reproduction, and transformation of meanings in contemporary society – a process called “the mediatization of culture” (Fairclough, 1995; Fornäs, 1995). The information conveyed by the media is not a neutral reflection of social reality but, rather, presents a somewhat incomplete picture of the world. Those working in the media are making choices on how to represent the goings-on in our environment. This representation can be seen, then, to have social, political and moral implications in society. In this regard, it is important to study the media representations of various issues in our social environment (Fairclough, 1995; 1998).

The focus in this paper, therefore, is on the media, and specifically on a leading professional business newspaper and a major business magazine in Finland. The power that these media exercise is, by nature, discursive. The readers – business managers, for example – are likely to base their evaluations about downsizing on what they read in the press. Downsizing and the managers involved in the process are not constructed solely by discourses that occur in organizations: they are also produced by much broader discourses that occur at a societal level and that act both as a resource and as a constraint for the way business people act and think. Consequently, it is valuable to understand how downsizing is discursively constructed in the professional business press, which can be regarded as an important source of information for managers who make business decisions. One reason for the continuous occurrence of downsizing may be, namely, that it is described in the press as a good and effective way of management. Further, it is possible that the identity of the managers involved in downsizing is portrayed in a way which promotes its occurrence. Such constructions may even come to be taken for granted and may direct the business managers' way of understanding the world – a way not often questioned (Berger & Luckmann, 1966). The present study aims at contributing to our understanding of this issue by seeking to answer the following questions: (1) what kind of representations of downsizing and managers are produced discursively in a professional business newspaper and magazine, and (2) how are such representations produced.

My primary concern in this paper is not only to describe and interpret the issue, but also to consider its ethical implications. Research indicates that downsizing involves ethical problems related to the equality of workers and other stakeholders (Orlando, 1999), as well as decision-making by managers (Lämsä & Takala, 2000). If we construct the phenomenon merely from the viewpoint of economy and effectiveness (McKinley et al., 2000), we easily become locked in one "truth" and may ignore or even grow intolerant of alternative ways of understanding (Phillips, 1991). In this regard, the media have a powerful influence on the manner in which business professionals understand the world. In their construction of social phenomena, texts in the media articulate what is right and what is wrong, what is good and what is bad. The media can either maintain the worldview of one "truth" or provide a many-sided and complex view of the phenomenon. This study attempts to make visible the kind of view they offer in the given context.

The remaining part of the paper is divided into six sections. The first section presents the scholarly definition of downsizing and a short overview of prior research on the subject, and describes why the topic is of interest in the Finnish business world. A discourse analytic framework is developed in the second section, followed by a presentation of the empirical data in the third. The fourth section contains the empirical results of the textual analysis, its core implications and a description of how the analysis was conducted. The built discourses together with their interpretation are set down in the fifth section, and the outcome and contribution of the study are then discussed in the final section.

THE CONCEPT OF ORGANIZATIONAL DOWNSIZING

In current scholarly literature, downsizing is defined as a purposeful change strategy, implemented by management, that aims at the elimination of jobs and positions to improve efficiency (Cameron, 1994; Freeman & Cameron, 1993; Lamertz & Baum, 1998; McKinley et al., 2000). It is thus understood as a strategy focused on reducing the number of employees. Downsizing is normally distinguished from the concept of decline, which, in turn, is unintentional on the part of the organization and the management (Freeman & Cameron, 1993). It is interesting to note that there are, in fact, a variety of concepts which are used as substitutes for downsizing – for example, leaning-up, slimming, re-engineering and restructuring. All of these have different connotations, but, since downsizing has become rooted in the current literature, it is the concept used here.

Downsizing in the Finnish context involves several value-based conflicts between the traditional socio-cultural and moral order and the efficiency expectations of business. The traditional Finnish societal value basis is characterized by security and well-being maintained by permanent contracts of employment (Julkunen & Nätti, 1999). Downsizing, thus, not only causes feelings of insecurity among people but can also be regarded as a break against the traditional socio-cultural values of security and well-being. Moreover, work has always been highly appreciated in Finland and an individual's value in society is defined through his or her work and competence (Katila, 2000; Kortteinen, 1992). Possible unemployment or even the risk of losing one's job is not merely a financial question but also a moral failure in society. It follows that business managers are in a very ambiguous and morally challenging situation, which makes downsizing a study topic of particular interest in the Finnish context.

According to McKinley et al. (1998), most of prior research on downsizing has focused on its consequences to organizations. Practically-oriented articles, on the other hand, have concentrated on describing the most successful practices of managing the downsizing process. Less attention has been paid to the antecedents of downsizing, although there are some few exceptions (e.g. Budros, 1999). A major tendency in the downsizing research, thus, has been to examine the techno-economic consequences of this practice. Furthermore, either explicitly or implicitly, researchers have adopted an economic perspective to explain the phenomenon, and it is assumed that decision-makers understand downsizing as a rational, predictable tool for better financial performance (McKinley et al., 2000). This assumption has, however, been questioned lately (e.g. Amabile & Conti, 1999, Fischer & White, 2000), as researchers have been unable to show any consistent positive relationship between downsizing and financial performance. This suggests that the forces driving the phenomenon may be more complicated than an economic perspective would assume.

Moreover, several researchers have investigated the impact of downsizing on employees who lose their job and have studied the effects of layoffs on the work performance of the survivors (e.g. Armstrong-Stassen, 1998; Brockner et

al., 1990; 1994; Mone, 1994). Both of these groups have received a great deal of attention in prior research. However, Kilpatrick et al. (1991) point out that it would also be worthwhile to study the “terminators”, that is, the managers in charge of downsizing, in order to get a more comprehensive understanding of the phenomenon. Such perspective is rare, although some examples exist (Lämsä, 1998; 1999). An interesting feature of the prior research is that it usually fails to identify the managers. The manager is someone not individualized but rather seen as a representative of an anonymous collective group, that is, of management. Consequently, we need more knowledge not only about the survivors and the laid-off workers, but also about the identity of managers in relation to downsizing.

Some scholars have studied downsizing from an ethical perspective either empirically (e.g. Hopkins & Hopkins, 1999; Lämsä, 1999; Lämsä & Takala, 2000) or conceptually (e.g. Orlando, 1999; Van Buren, 2000). However, despite the fact that downsizing involves ethical problems and dilemmas, prior research has not paid much attention to that perspective. Furthermore, much of the research has been based on a functionalist paradigm, although there now appears to be a growing interest in exploring the phenomenon using an interpretative approach (e.g. Lamertz & Baum, 1998; Lämsä, 1999; McKinley et al., 2000; Palmer et al., 1997). If we accept that downsizing is not a simply-constructed abstract phenomenon that can be explained causally but, instead, that it is a complex web of meanings, we should then focus on the various ways it is produced in discursive practices.

A DISCOURSE ANALYTIC FRAMEWORK

One important trend in the last decades has been a “linguistic turn” in social theory, which has resulted in language being accorded a central role within social phenomena (Fairclough, 1998, p. 2). However, this has been neither consistent nor uniform, and has generated considerable debate among researchers. Positioned at the heart of the debate are the concepts of discourse and discourse analysis. To argue that one’s approach is discourse analytic, therefore, does not say very much. My aim is to avoid this confusion by setting the concept of discourse analysis in the context of this study and by outlining its central theoretical principles.

I draw here upon four principles which lay some claim to the title of discourse analysis. The first body of work which can be linked to the discourse analytic framework is that associated with poststructuralism. The varied and somewhat ambiguous poststructuralist tradition is represented by writers such as Derrida, Foucault, Barthes and Lacan, among others. For the purposes of this study I rely on the poststructuralist notion of epistemology and subjectivity. (Gill, 1993). The core idea in epistemology is that social world does not exist “out there” but is the subjective construction of human beings who construct meanings through the use of language. Language, thus, is constructive, not a neutral, transparent medium reflecting reality. It creates particular versions of

reality. Consequently, we can say that a discourse analysis is interested in the constructive effects of texts and is, of necessity, interpretative (Hardy & Phillips, 1999, p. 2). Moreover, the discourse analytic approach rejects the notion of a unified, coherent subject. This means that the various actors in a story – for instance, the managers or survivors of a downsizing process – are constructed in diverse ways, producing identities for them that differ in many respects. In the downsizing context, for example, the laid-off workers can be constructed, say, as victims, heroes, people rescued from a crisis or hit by a stroke of luck, and so on, depending on the particular situation and perspective.

The second principle is based on social constructivism (Berger & Luckmann, 1966). According to this tradition, the socio-cultural environment is seen as a resource by means of which people understand their own and others' behavior to achieve intersubjective meanings. Socio-cultural conventions and definitions are not unchanging but dynamic, although people easily experience them as law-like and tend to take them for granted, since they are easily collectivized and reified through social construction processes (Holstein & Gubrium, 1994; Phillips, 1991). How the downsizing process and the managers involved in it are defined, can thus be understood in a particular socio-cultural context. Consequently, the meanings may vary from one socio-cultural context to another. Language is an important socio-cultural resource, and I assume here a dialectic relationship between culture and language. This entails that every instance of language use makes its contribution to reproduce and/or transform society and the phenomena therein (Fairclough, 1998). Hence, the use of language has society-level consequences. For example, how the professional business press represents downsizing or business managers can either help to preserve or transform their meanings, which, in turn, may have different effects in society. In this regard, the business press is using power that can reach wide societal spheres.

The third principle is one that has been influenced by critical language studies (Fairclough, 1995; 1998; Fairclough & Wodak, 1997). Its central idea is that the sense of a term derives not only from some inherent feature of the relationship between signified and signifier, but from a system of oppositions in which it is embedded. This idea poses an important challenge to the simple word object count of language, which is typical of traditional linguistic approaches (Gill, 1993). It highlights the ways in which particular linguistic forms, such as deletion of a grammatical agent or use of the passive voice, can have crucial effects on how phenomena such as downsizing and managers are understood. For instance, the sentence "The managing director decided to lay off 100 people" differs from "The decision was made to lay off 100 people". The difference in meanings here can be attributed, for example, to how we interpret managerial responsibility. The meaning of the text is not in the words themselves but lies in their particular structural arrangement and form. Further, the choice of words and terminology influences the meaning. There is a difference whether we use the term "terminator" or "rescuer" when speaking about the manager responsible for downsizing. Those writing in the business press make important choices on how to report about various phenomena, since

they have the power to select the words and ways of expression used. This is also one reason why the press has a lot of discursive power.

The fourth principle is based on the traditions of ethnomethodology and speech act theory (Heritage, 1996; Potter & Wetherell, 1998, pp. 17–23). They emphasize the functional and action orientation of discourse. Moreover, they are primarily interested in the spoken rather than in the written word in social interaction, whereas our focus here is on written texts in the business press. According to this fourth principle, language and its discursive practices are social phenomena. People use particular linguistic methods to perform social actions, for example to make excuses, to give a trustworthy picture of themselves, to highlight some events so that they become visible or to prevent the occurrence of others. We may say, following the ideas of Austin's speech act theory (see Potter & Wetherell, 1998, p. 18), that people use language like a tool, to get things done. This feature of language use is often called reflexivity, particularly in the ethnomethodological tradition. The representations of the manager involved in a downsizing process, as well as the process itself, have functions which may be either purposeful or unpurposeful from the viewpoint of the writer or the speaker. Furthermore, it is important to note that in order to be able to interpret said functions, a researcher needs to be familiar with the features of the context and the social environment. In this study, such understanding comes from my own socio-cultural background as a Finn and my familiarity with the subject from earlier studies of the topic (Lämsä, 1998; 1999; Lämsä & Savolainen, 2000; Lämsä & Takala, 2000).

To summarize, the discourse analytic framework adopted here draws on a variety of ideas and traditions. The four principles described above - which are referred to here as the constructive, contextual, structural-terminological and functional principles - form the foundation of the framework. The basic idea in this framework is that it is concerned with discourse in its own right. It treats texts as constructive (constructive principle): objects such as downsizing and the identities of the manager are constructed in discourses. A discourse, then, is a relatively coherent system of meanings which constitute objects into being (Parker, 1992). It is a representational and constructive practice that is to be found in pieces of texts. Further, the framework sees the meanings of texts as inseparable from the socio-cultural environment (contextual principle). Meanings should be interpreted in their given socio-cultural setting. Moreover, texts are constructed from words, but the meanings are not in the words as such but in particular choices regarding their structural arrangement and terminology (structural-terminological principle). Finally, the framework treats texts as functional, oriented to actions which may have purposeful or unpurposeful social, political and moral implications (functional principle).

EMPIRICAL DATA

The data were collected from 27 articles published during January – December 2000 in a major Finnish business newspaper entitled "Kauppalehti" and business magazine entitled "Kauppalehti-Optio". Both of these can be said to be widely known and read in Finland, although targeted mainly to business professionals. The former is published five times a week, on workdays, and the latter once a week. The main criteria in the selection of the articles was that they dealt with a case of downsizing that had taken place in Finland, either in a Finnish company or a foreign subsidiary. There were quite a number of articles which reported about the phenomenon in other countries, for example Estonia, Germany and the United States, but these were excluded since they were outside the scope of this study. The data consist of nineteen news articles and eight features. Altogether twenty-three different companies were mentioned in the articles. Twenty-five articles wrote about particular companies and the remaining two were general overviews of the topic.

The collected material was organized and processed with a computer. The database included the following information: publishing date, name of the writer or, if no author was mentioned, the official source of the article, and the original text. For the purpose of the analysis (Jauhiainen, 2000, p. 53), each article was assigned a number from one to twenty-seven (1–27) for identification. In order to make it easier to concentrate on the text, the articles were reproduced so that the text was divided according to sentences marked by a full stop. Each sentence was then assigned a line number according to the numbering in the original text, so that the sentences running in the text could be easily traced back to the original text with this code. For example, code (26.24) refers to sentence 24 in article 26. The identification code is marked in parentheses later on in this paper when examples of the original texts are presented. The coding system is important since we must be able to revert to the whole text during the interpretation process.

THE EMPIRICAL RESULTS OF THE TEXTUAL ANALYSIS

There is no one "correct" way to conduct a discourse analysis, and the most demanding task is the systematization and contextualization of the information. In the present context, the research process was carried out through intensive reading and reflection of the data. At the very beginning it was not merely a question of reading and reflection but of analyzing the articles from the viewpoint of the structural-terminological principle. This kind of textual analysis helps us to get an overview of the texts. Further, it makes it easier to understand in what linguistic ways downsizing and the manager involved in it are constructed. This knowledge is also valuable from the viewpoint of the trustworthiness of the study, and it helps us to see how discourses emerge from

the articles (Fairclough, 1998, pp. 74–78). The main results of the analysis are presented below. In the first phase, the focus was on the representation of the manager responsible for implementing the downsizing, followed by an analysis of the representation of the downsizing process itself.

Firstly, the analysis concentrated on the actors in the texts, examining the different kinds of actors presented. It was relevant to name and describe them in order to see how the articles categorized the people involved (Potter & Wetherell, 1998, pp. 116–137). Further, those sentences that referred to managers were analyzed more thoroughly, particularly with regard to whether the managers were represented as having a unique identity, an identity as a member of a managerial group, or whether the articles simply used a generic reference to the company (cf. Jauhiainen, 2000, pp. 36, 57).

It was found that the articles contained six main categories of actors: managers or corresponding reference to management (18% of all sentences where an actor was mentioned, N=202), companies (26%), employees who were or would be laid off (34%), employees who continued working (8%), labor unions and shop stewards (5%), and others minor groups, such as a consultant who assisted a company in outplacement and a former Finnish citizen, now living abroad, who marveled at the huge number of early retirement packages enabled by the Finnish social security system in a downsizing situation (9%).

As regards the representation of managers, they were identified 27 times either by name, by both name and title, or by use of a personal pronoun (he/she or we). However, the personal pronoun “we” was applied only once (article number 8). This was in a story with a happy ending, that is, the article described how the owner couple of a company succeeded in saving their business. Further, there were 54 statements in which it was not possible to identify the manager. In these cases the articles used the expression “management” (three times), mentioned the name of the company (47 times), or applied some other type of expression (four times), such as “savings can be achieved, for instance, by reducing the number of employees by 800” (code 9.23). In general, the representations of managers were matter-of-fact by nature. Not many adjectives or very dramatic expressions were used. The majority of the representations that referred to a manager, managerial group, and company or corresponding were unindividualized (67%, N=81).

Next, attention was shifted to the verbs used in connection with the identified actor, the manager. The aim was to find out what this actor does in the sentences. Such knowledge is valuable when we try to understand the functional principle of the text, for example, whether the responsibility of managers is made explicit or left vague (Fairclough, 1998, pp. 180–182). Special attention was paid to the use of the verb “to decide”. All verbs in relation to a manager were found to be in the indicative mood (20 times) – there were no verbs using the imperative, conditional or potential mood (Hakulinen, 1968, pp. 201–203). The verb “to decide” or a similar expression with the meaning of deciding was not used at all in relation to an identified manager. The majority of the verbs used in connection with the manager were expressions like “saying”, “telling”, “describing” and so on (17 times). The verb “to admit” was used three times. In these cases the admission was eased by the rest of the

sentence, as illustrated by the following example: "He admits, however, that Veho (name of the company) has also had to resort to reductions in the workforce to improve its economic position" (code 19.11). This is an unindividualized company, not an identified manager, that does the downsizing in the sentence.

This phase of the analysis revealed that the texts represented business employers – whether identified managers or unidentified companies – as the major actors. Thus, it was their perspective and their doings that were to be read about. What is also interesting is that the laid-off people were mainly represented as members of the laid-off people's group and, hence, were constructed as collectivized. There was a single exception: one of the articles (number 26) presented a number of "fortunate" laid-off individuals who had been able to utilize the Finnish social security system to get an early retirement in a downsizing situation.

The second phase of the analysis then examined how the phenomenon of downsizing itself was represented in the articles. The main idea was to study the propositionality of the phenomenon (Fairclough, 1998, pp. 158–162), and thus the analysis focused on how conditionally or unconditionally downsizing was represented in the texts. Moreover, another question of interest was whether there was any intentional will on the part of the company involved and in what ways the downsizing was legitimated in the texts. All sentences (N=67) that were interpreted as referring to the propositionality and legitimacy of the phenomenon were studied.

It was found that downsizing was represented in the majority of the sentences (79%) as a self-evident fact. The following statement illustrates this: "According to the managing director, Raimo Tantt, the primary reason for this decision is that the market for the company's main product, rubber boots, has been slow for a long time now as a result of the weather conditions" (code 24.2). This example illustrates the most important linguistic ways in which the idea of self-evidence is communicated in the texts. There is no conditional expression, for example, no adverb such as "likely", "probably" and so on. Furthermore, there is no subordinate clause that might possibly mitigate the unconditionality of the statement. The present tense also stresses the self-evidence of the reason for the decision as well as the legitimation of the phenomenon by means of a two-phase causal reasoning (slow sales and "unfavorable" weather).

Some intentional will was expressed in 14 sentences (29%, N=67). These were divided into two main groups. The first group consisted of sentences (7 of 14) that indicated the company's own action in relation to downsizing. In other words, the sentences implied some kind intentional doing by the company directed at downsizing. The following example highlights this aspect: "Elisa (name of the company) wants to concentrate on its core business" (code 17.7). In addition to an action, which in this example is "wanting" to do something, there is an actor, the company, and a goal, downsizing expressed as concentration on the company's core business. In some sentences the actor was somewhat vague because the verb was in passive form and, thus, the question of who was doing the acting was unclear.

The second group of sentences implying some degree of intentional will (7 of 14) referred to an intentional action by a foreign head office. In these cases the Finnish subsidiary was a passive object of downsizing, as illustrated by the following example: "It (the Finnish factory) received an announcement from its head office, R. J. Reynolds International, that the company had overcapacity in tobacco production in the EU area, and to eliminate the problem it has decided to downsize the factory" (code 5.2). Consequently, the actual intention was described as being somewhere far away from Finland. What is also interesting is that a foreign head office was generally constructed as a potential threat to the Finnish subsidiary's survival.

Downsizing was legitimated in four different ways in the texts, and there was only one case where no reasoning was used. In the majority of the sentences (58%, N=67), downsizing was legitimated by reasons of effectiveness and economy, which were described as inevitably necessary. 28% of the sentences used the decision by a foreign head office as a given to legitimate the phenomenon. Further, in three cases the text appealed to legal reasoning, and organizational change was mentioned as the reason in six sentences.

We have now gained an overview of the texts, particularly from the structural-terminological perspective. Approaching the texts in isolation like this from a broader context, however, involves the risk that some of the meanings may be lost. Therefore, to get a more comprehensive view of the phenomenon, the textual analysis needs to be complemented with a discourse analysis aiming at interpreting the texts to see how downsizing and a manager are constructed into being (Fairclough, 1995; 1998). The discussion now turns to the discourses.

THE DISCOURSES OF DOWNSIZING AND THE MANAGER'S IDENTITY

A discourse of self-evidence

As indicated by the textual analysis, the definition of downsizing is constructed as a self-evidence in the majority of the studied articles. Its legitimacy as a practice is not questioned in this discourse and, thus, there is no uncertainty or disbelief that would interfere with it. What is also essential is that we cannot find any alternative strategies such as a reorganization of work or long-term systematic change which are often presented in the literature (Cameron, 1994) to replace downsizing. The following examples illustrate this discourse of self-evidence:

"Downsizing at Leaf's Turku factory is due to the fact that CSM's Danish plant will be taking care of business in the Danish market in the future" (code 13.16).

"Sharpening competition pushed Veho to reductions in the workforce" (code 16.1).

"According to Mr Aminoff, the main reason for downsizing is sharpening competition and the need to cut down costs" (code 16.4).

Downsizing is legitimated in this discourse by seeing it as the inevitable result of other previous events such as a rise in raw material prices or unfavourable changes in exchange rates. It is also described as a pre-emptive measure, necessary due to future events, for example, sharpening competition or globalization. The prevailing descriptions of downsizing in the texts, thus, present the phenomenon either as reactive to events that took place in the past, or proactive to events that must be taken into account in the future to be competitive. Reasons of economy and effectiveness are used as the justifications. Interestingly, there are no descriptions in which reference is made, for instance, to some action by the company itself which could be interpreted as unsuccessful or wrong. Neither do the texts present any doubts, economic or moral, as to the rightness of the downsizing practice.

From the perspective of the functional principle, we can say that the function of this discourse is to convince the reader of the self-evident nature of the phenomenon by applying traditional business language. The text constructs the notion of self-evidence through various textual strategies, for example, by presenting the justifications of economy and efficiency as given, by using the present tense and indicative mood in the verbs, by avoiding conditional terms which might call the rightness of the phenomenon into question. Such strategies make the phenomenon into an objective fact, which easily becomes so natural that it cannot be disputed. Further, the discourse does not say a word about the alternatives to the phenomenon or to the moral problems involved. It embraces a single option and invites the reader to commit him- or herself to the self-evident necessity of efficiency and economy.

With regard to the identity of the managers, the discourse of self-evidence stresses their role as a middleman. Typically, the identified manager does nothing else than "comments", "tells", "announces" or "describes" that a company is downsizing. In some cases the statement is expressed in passive form and, hence, even the identified actor is unclear. An actor who makes the decisions or acts directly in relation to downsizing occurs only in generic references to companies; for example: "Nokian Jalkineet (name of the company) is reducing its workforce by 12 people" (code 24.1).

Consequently, the texts function so that they present the manager indirectly with respect to the responsibility for downsizing. The discourse of self-evidence, thus, places the responsibility for decision-making and direct action on to a faceless collective. So, the identity as a middleman relieves the identified manager discursively from the obligation to assume responsibility for the phenomenon.

A discourse of concealed salvation

This discourse is to be found only in one article (number 8). It describes a case in which the new owner family, the Söderströms, saved a printing house business from being shut down. The article relates how the family bought the business from a big corporation that was no longer interested in continuing it. The deal is described as having been a big risk for the new owners, but after many difficulties and a lot of hard work they managed to make the company efficient and profitable. The story also gives financial figures to convince the reader of the success of the salvation. The following examples illustrate the discourse:

“The Söderströms made the business grow from scratch ”(code 8.01).

“The Söderströms effectively modernized the printing house TT” (code 8.08).

“In 1994 there were 80 employees in the concern of Urex and TT” (names of the companies) (code 8.12).

“After that, the number of personnel has decreased by half, although the volume of business has remained the same” (code 8.13).

In the story, the original situation is ownership of a printing house by a big corporation whose identity is constructed as that of a faceless owner. This ownership is a threat to the continuance of the printing house, since the corporation is presented as no longer interested in continuing the business. According to the text, the printing house had become “a burden” (code 8.6) for the corporation. Then, an action takes place. The family Söderström buys the business and rescues it by modernizing, as expressed in the text. Finally, the story has a happy ending: the business continues and brings in profits, which is the complete reverse of the original situation.

The discourse narrates the story of the salvation at length to make its message plausible and believable. In other words, the text relies on the plot (Czarniawska-Joerges, 1995, p. 15) of the old storytelling tradition that is familiar from many fairytales like Snow White and the Seven Dwarfs or Sleeping Beauty. The hero, in this case the identified owner couple, frees the protagonist, the printing house, by prompt action from imminent danger, the plans of a faceless corporation. Hence, the plot utilizes causality and derives further strength from its moral loading. The identified owners are the “good guys” and the faceless corporation that originally planned the downsizing is the “villain” of the story.

The story constructs the identity of heroic rescuers for the owner managers. It uses linguistic tools such as the personalization of the owners and reference to them by name and by pronoun in the first person plural. Further, to convince the reader of the heroic features of this identity, the text stresses the risks involved and describes the many hardships, mainly technical problems in

production as well as financial problems, that needed to be overcome in the course of the salvation process.

What is especially interesting here is that downsizing is not presented directly in relation to the identified owner managers. This can be seen in the above-mentioned example (codes 8.12 and 8.13), which first notes the number of people working in the company at the beginning of the story, but then, all of sudden, indicates that their number had decreased by a half. We are not told what happened to the other 50%. Thus, the story does not say, for instance, that the family Söderström dismissed 40 employees to make the printing house profitable, or that the Söderströms rescued the company from an imminent danger, unprofitable business, by prompt downsizing action.

Paradoxically, downsizing is not mentioned in relation to the owner family, although the text clearly indicates that the owners had indeed conducted such action one way or another. Thus, the text avoids referring to the downsizing in relation to the owner managers, constructing the phenomenon as a concealed salvation by them. In other words, the company is described as being saved, but the action of downsizing, that is, how the salvation was achieved, is hidden.

Now, we can say that the salvation story with its heroic rescuers and the concealed action of downsizing in particular are needed to bridge the gap between the morally questionable action, downsizing, and the actor, the identified owner couple. Without this kind of story, the text would hold the heroic rescuers responsible for laying people off and guilty of a morally questionable action in this sense. They could therefore be blamed, which is now very difficult.

Consequently, from the functional perspective, by means of the heroic story this discourse maintains the view of managers as unblamable. Only the faceless corporation is an anti-hero and, thus, potentially open to moral condemnation. The story also makes it possible for the reader to experience the complex and risky world of the heroic rescuers. The text not only invites the reader to accept its message about downsizing but also invites him or her to identify with it personally.

A discourse of damage control

There is also a discourse of damage control to be found in the text of one of the articles (number 5). The article's title says that if a company has to dismiss people, it is worthwhile to do it neatly. The text goes on to relate how a foreign company decided to shut down its Finnish subsidiary due to overcapacity. The company invited an outplacement consultant, Ms. Ritva Kajala, to assist in the process, and she, the consultant, did the job admirably. A part of the dismissed workers were able to find a new job, while others either decided to remain at home, wanted to retire, or took a sabbatical. As a whole, what the laid-off people did is described in the article in a very favorable light. A few examples will highlight the discourse:

“In practice the job was entrusted to Ms. Kajala, who had fresh in her mind her previous job of eight years as personnel manager at Tunturi, the bicycle factory that had been through some really hard times” (code 5.04).

“Now the Reynolds project is happily over from Kajala’s point of view – with an emphasis on the word happily” (code 5.22)

“All of Kajala’s protégés are back in working life” (code 5.23).

“Kajala emphasizes that the company is not only buying a clear conscience with outplacement” (code 5.27).

“It is also a question of building a good external and internal corporate image” (code 5.28).

Downsizing is constructed in this discourse as a source of damage that needs to be controlled. The damage is described, for example, by referring to the downsizing decision by the foreign head office – a faceless collective – as “scathing” (code 5.8) from the viewpoint of the Finnish subsidiary, as a result of which “all jobs at the Turku factory would disappear” (code 5.01). The textual expressions are somewhat more dramatic in this case than in the reviewed articles in general. The text notes that some damage may be done and thereby admits that downsizing is not only problematic for the company’s image, but that it also involves a moral problem in relation to the dismissed people.

The discourse draws its strength from causal and moral responsibility (Toffler, 1986, p. 35). In other words, it is grounded on the idea of morality: if someone causes damage, that someone has the moral responsibility to correct or attempt to correct the situation. Further, to make the message plausible the text relies on a causal plot (Czarniawska-Joerges, 1995) in which the original state, downsizing due to economic necessity, is the source of the damage. Action, in this case assistance and caring, is needed to correct the situation. An outplacement consultant is invited to carry out the necessary action, and her success in doing this is strongly emphasized in the text. Finally, there is a happy end, no-one is left unsatisfied or damaged – the situation is now completely reversed as compared to the original. This time there are no heroic rescuers as in the discourse of concealed salvation, since the damaging aspects of the act of downsizing are admitted here. However, in order to create a happy ending to the story, someone is needed to help to deal with the situation, and the outplacement consultant duly fulfils this function.

Thus, the main actor in this discourse is the outplacement consultant. She is represented as an important, capable and caring helper. Such an impression is created by giving her a direct voice several times in the text. Moreover, the consultant is strongly personalized, for example, through the frequent use of her name and a description of her earlier career. She is presented as being fully capable of performing the outplacement task. Further, the text goes on to report how she helped the dismissed workers to overcome their painful experiences and to find new jobs. What is especially interesting here is that the relationship between the compassionate helper and the dismissed workers is presented in such a way that the helper is the active subject, the actor, and the workers are the passive and collectivized objects of her helping action. So, in this discourse

it is the consultant who is constructed as having the power to define what is the sensible and right thing to do in the situation.

Not one representative of the downsizing company, however, is mentioned in the text. The consultant is given a voice, whereas the managers' identity is that of hidden actors. The name of the company, on the other hand, is given, and the company itself is constructed as the initiator of the outplacement process. Although the discourse acknowledges that the company's downsizing action caused damage to the workers, the main emphasis is not on the company's actions but on the role of the consultant instead. By doing this, the discourse distances the company and the managers from the situation. The idea is that the company has done what it can to control the damage by hiring the consultant.

Now we can say that the emphasis on the consultant is a means of obscuring the paradoxical relationship between the damage from downsizing and the company which, in itself, is the original source of the damage. Without the role of the caring and compassionate helper, the text would have to assign the responsibility for the practical caring task to the company and its representatives, or else it would show a lack of compassion. If the discourse were to admit that the company lacked expert knowledge on outplacement or was unwilling to conduct the task, there would be the danger that the company and management would be blamed for not having repaired the damage they had caused. The caring helper was needed to avoid such an interpretation. In this way the discourse of damage control encourages the reader to acknowledge the good moral intent of the company. The discourse enables the company to show responsibility for the consequences of its action. However, it would be interesting to see what kind of story would be needed if some damage were reported to have been done in spite of the consultant's help. Who would be responsible for this damage? Maybe in such a case, the happy ending would require changing the construction of the identity of the laid-off workers from passive objects to active subjects capable of helping themselves. Otherwise it would be difficult to convince the reader of the current message of the discourse, and the plot of the story would begin to resemble that of a tragedy.

A discourse of exploitation

The type of discourse found in two of the articles (numbers 26 and 5) is referred to here as a discourse of exploitation. Article 26 contains an entire story, whereas article number 5 only mentions the course of events very briefly. In this discourse, downsizing is constructed as a good opportunity to exploit the Finnish social security system. In other words, downsizing is represented so that it offers the older employees the chance to get an early retirement due to unemployment.

A few words about the regulations of the Finnish social security system are relevant here to clarify the issue and make it easier to understand the discourse. A person who becomes unemployed is entitled to an unemployment

benefit for a period of 500 days. However, if the person is of a specific age, around 55 years, he or she is able to move after the benefit period straight on to receive the government-financed unemployment pension. So, for example, laid-off workers are basically enabled to retire already in their mid-fifties. The system is referred to as “the retirement pipeline” in everyday use and, as result of the practice, the number of early retirements grew sharply in the nineties. The following examples illustrate the exploitation discourse:

“Eight persons out of 34 said they would seize the opportunity and proceed through the retirement pipeline to spend the evening of their working life” (code 5.09).

“Elderly employees are compelled, but many feel they are permitted, to live on an earnings-related unemployment benefit until their reach the normal age of retirement” (code 26.11).

“They were also satisfied with their lives once they had entered the ‘pipeline’” (code 26.22).

Here, downsizing offers an opportunity to exploit the social security system. But, if such an opportunity exists, there is also someone who is the exploiter – in this discourse, the people who retired. The text represents them as exploiters by describing how they were able to enter the retirement pipeline. Moreover, since such behavior is disapproved of, the text represents it as an unacceptable way to act. Consequently, the discourse uses moralization to make its message plausible. For example, the text remarks that “it is unthinkable that people in their prime are already happily ‘in the pipeline’ or are wishing to ‘enter the pipeline’” (code 26.23). The text further builds the overall picture of these people by representing them as somewhat egoistic old fools. This is done, for example, by referring to their somewhat outmoded appearance and also by describing their carefree attitude to life.

The discourse derives its strength from moralization, and so, there must be a moral groundwork on which its argumentation is based. We can say that since the discourse disapproves of the exploitation of the social security system through “the retirement pipeline”, it contains the assumption that it is morally right to try to continue in working life as long as possible. Thus, it values work and the people who work as well as social responsibility in the use of common resources. These are essential elements in the traditional Finnish value basis (Julkunen & Nätti, 1999; Katila, 2000; Kortteinen, 1992), which here acts as a socio-cultural resource by means of which the discourse constructs its message.

In view of the above it is easy to understand that those who violate against the value basis are constructed as foolish and egoistic. But what is especially relevant is that the downsizing companies are not included in the discourse, although they could similarly be regarded as exploiters of the social security system. It is possible to think, namely, that they are able to utilize the system to lay off elderly employees “neatly” without danger of any law suits. However, they have no voice in the discourse. Furthermore, no managers are mentioned. They have a silent identity; their actions are not discussed. Consequently, the exploitation discourse invites the reader to accept the preservation of the

traditional value basis of society, but at the same time makes it possible to avoid bringing up the conflict between that value basis and the goals of downsizing. This is done by placing the main emphasis in the discourse on the retired people and by passing in silence the role of the companies and their managers.

SUMMARY AND DISCUSSION

In this study I have examined view created by the articles of a leading business newspaper and magazine about the subject of downsizing in the Finnish context and within a given time frame. In particular, I have sought an answer to the questions: What representations do the articles produce of downsizing and the managers involved in downsizing, and in what way are these representations produced? My first step was to develop a discourse analytic framework to investigate the topic and then to apply it to an empirical study.

The starting point of this paper was the idea that downsizing is not always valuable and that we should question its continuous occurrence (Budros, 1999; Orlando, 1999). It is an ambiguous and morally questionable phenomenon particularly in the context of Finnish society, since there is a direct conflict between, on one hand, the traditional Finnish socio-cultural value basis that stresses full employment and the ideals of permanent employment contracts and social responsibility, and, on the other hand, the goals of downsizing (Julkunen & Nätti, 1999). This is a noteworthy aspect and helps us to see why the outcome of this research makes sense in the Finnish socio-cultural setting at the particular time when the study was conducted. Thus, we need to be careful in attempting to apply the results to another type of socio-cultural setting. My findings cannot be transferred directly to another context without critical reflection, since meanings are likely to vary culturally and socially. The same is true of the research results on this topic found in other contexts.

The textual analysis of the empirical data revealed various linguistic strategies that were used to construct downsizing and business managers in the articles. The analysis made it possible to get an overview of the texts and helped to build their discourses during the interpretation process. The main findings of the study are summarized in the Table 1, which presents the four discourses together with the answers to the research questions. Additionally, Table 1 gives the main actors and functions applied in each discourse to clarify its message.

The results show that the discourses do not question the practice of downsizing. Instead, it is accepted as a given practice using various discursive techniques. The discourse of self-evidence applies traditional business language to convince the reader of the necessity of the phenomenon, while the other three discourses can be considered more imaginative in this regard. Instead of appealing to logical economic facts, that is, "factualizing" the phenomenon, they invite the reader to experience the world of downsizing and its actors emotionally and morally, or so to speak, they "fictionalize" the phenomenon.

TABLE 1 Summary of main findings

	Discourse of self-evidence	Discourse of concealed salvation	Discourse of damage control	Discourse of exploitation
What is the representation of downsizing?	A self-evident economic fact	A salvation but dismissals concealed from public	A source of damage	An opportunity to exploit the social security system
What is the representation of the manager?	A middleman	A heroic rescue	A hidden actor	A silent party
How are the representations produced discursively?	By means of the Business language of economics and efficiency	By means of a heroic story	By means of a story of morality and causal responsibility	By means of moralization and silencing
What is the main function of the discourse?	To invite commitment to downsizing as a natural and unquestionable practice	To invite acceptance of downsizing and personal identification with the experiences of the manager	To invite acceptance of the good moral intent of the company	To invite moralization of exploitation and at the same time to obscure the role of the company
Who is the main actor in the discourse?	A faceless company	Owner managers	An outplacement consultant	People who have retired early due to downsizing

Thus, none of the discourses raise any doubts about downsizing and its occurrence as such. This finding suggests that the articles prefer to treat downsizing as the single efficient strategy alternative for improving the operation of a company, and do not consider other optional strategies such as, for example, long-term systematic change. It is then proposed here that the underlying and taken-for-granted assumption in the texts is that downsizing is the efficient change strategy to enhance the functioning of a company. The study implies that the way language is used in the articles helps to reproduce the phenomenon as a given, self-evident truth, since the analysis shows that it is difficult to discern and contemplate the underlying assumption in the texts. Such use of language is self-enforcing, and easily legitimates the downsizing phenomenon without raising any questions. This may be one of the reasons for its continuous occurrence in the business context. Thus, from a practical business perspective, it seems plausible to suggest that the phenomenon is indeed likely to continue (McKinley et al., 1998). However, it is important to note that the link between the discursive practices by which the phenomenon is reproduced and the actions of companies in everyday business is by no means direct, and since this link remains unclear it would merit further clarification in future studies.

To conclude, if we are to question the practice of downsizing and its continuous occurrence, we should focus our attention on the assumptions underlying the layoffs and the way this phenomenon is represented not only in the business press but also in the other media and by public authorities, consultants, managers, labor unions, etc. This kind of research is important, particularly as the studies that concentrate on the causes and consequences of downsizing easily take the phenomenon itself as given. Thus, the contribution of the present study is that it shows the promise of a discourse analysis not only for revealing underlying assumptions but also for exposing the linguistic mechanisms by which these assumptions are produced and maintained. One of the advantages of the discourse analytic approach is, namely, that it places the phenomenon potentially open to reflection and change.

Moreover, the study shows that the identity of managers in the context of downsizing varies, and that the relationship between identified managers and downsizing is obscured by the use of diverse linguistic methods in the texts. The managers' identities are constructed so as to make them appear blameless in relation to decision-making concerning downsizing. Consequently, it is suggested here that there is an underlying tendency in the texts to transfer the responsibility for the decision-making to a faceless actor, such as a company or an anonymous collective management group. The question of who are responsible for the decisions, thus, cannot be answered, nor is this easily questioned. In other words, if we want to inquire about the occurrence of downsizing it may be difficult to do so since, as this study implies, it is unclear to whom such questions could or should be addressed.

The business press, which can be regarded as the organ of business professionals, not only seems to produce the representation of downsizing as given, but also to distance the managers from decision-making concerning downsizing. Such a view simplifies both the ambiguous phenomenon as well as the complexity of a manager's task. This implies that the reduction of complexity, particularly in connection with a morally questionable phenomenon and the manager's own role in it, is a discursive means for making the action look normal, sensible and morally acceptable (Lamertz & Baum, 1998). This kind of simplification can then be self-enforcing and encourage the acceptance of the phenomenon without hesitation. Further research, however, is needed to give a better understanding of the issue. It would be particularly important to investigate whether this kind of discourse is common in business textbooks, which have a great influence on the learning processes of business students.

Finally, with respect to ethical concerns, the findings of this study imply that the business press favors one "truth", that of the downsizing practice, and avoids mentioning the moral challenges and dilemmas involved. The texts do not challenge downsizing in itself nor do they present any alternatives or conflicting perspectives. Nevertheless, from the viewpoint of ethics, it would be important not only to discuss the moral problems involved in downsizing but also to consider ways of presenting alternative and also conflicting information. The present study suggests that the tradition of storytelling, the narratives, might offer an opportunity for this. Their strength does not lie in logical and

objective facts but, rather, in the fictional practice that applies real-life events in the plot to report alternative versions of downsizing and other development measures taken by companies. So, it could help people to experience the phenomenon at the personal level and learn to know and understand its different perspectives (Czarniawska-Joerges, 1995). Consequently, the use of the narratives would call for further research since it could be valuable in developing alternative perspectives. An action research might offer a suitable method for such studies.

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