Downsizing in crisis
A comparative study on downsizing processes in Greece during the financial crisis

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Abstract

Downsizing is a subject increasingly studied during the last decades and from many different perspectives. However, the major part of the literature involves research during periods of economic stability. The special economic situation that Europe -Greece included- goes through calls for further research on many levels and aspects. This paper aims to discover how Greek HR managers performed downsizing during the years of financial crisis. Ten semi-structured interviews were conducted with nine HR managers and one CEO from ten different companies in Greece. The analysis of the results was based on institutional theory as well as on Cameron's framework on downsizing strategies.

The outcome is that the preferred downsizing strategy is workforce reduction, using mainly dismissals. Other ways include early retirement packages, reduced work hours, job rotation, salary cuts and hiring freeze. The HR managers usually have to consider social criteria such as marital status or number of children, or performance criteria to decide who has to be laid-off. However, the decision is taken in conjunction with a line manager or the department's director. Depending on the sector, the HR manager has to handle the relations with the trade unions as well.

Key words: HR, HRM, Downsizing, Restructuring, Dismissals, Crisis, Greece
Acknowledgements

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Petros Tsavdaridis
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1. Introduction
An unpleasant phenomenon can at the same time be an opportunity to examine and research the surroundings and the consequences of that phenomenon. The same applies with the case of the financial crisis in Greece and its subsequent effects upon the local business world. Many interesting aspects of the crisis and of the way organizations coped with it can be observed and analysed. Within this chaotic world of enterprises and organizations, this study will focus on the area of downsizing. In particular, this study will look deeper into the downsizing process in the context of Greek companies, specifically from the Human Resources (HR) managers’ point of view.

The work of the HR manager is among others the handling of employment policies and practices, that is, from recruiting an employee until their exit and everything in between (Boxall & Purcell, 2011). One can say that these are efforts that contribute positively to the organisation, in the sense that they add to the organisation's potential, not only quantity-wise -that is, by hiring more workers- but also quality-wise -that is, developing both the organisation's and the individual's potential and capabilities (ibid). Hence the strategic role of HR management (HRM) becomes more eminent within the function of the organization.

As recruitment can occur in large numbers and not just one person at a time, the same can happen with terminations and dismissals; an indication that HRM functions both on individual and collective dimension (Boxall & Purcell, 2011). Mass dismissals have come to be associated with the process of downsizing and that is why HRM is directly related with this process. Organizational downsizing became a subject for research in the early 1980s and since then it has been gaining attention both in the academic as well as the business world (Freeman, 1994). The number of organizations that underwent downsizing increased significantly since the 80s and today there is a significant amount of research concerning the process of downsizing in organizations (Datta, Guthrie, Basuil & Ey, 2010).

1.1. The Case of Greece
The context for investigating downsizing in this paper, that is the location and timeframe of research is Greece from 2008 to 2013. Greece is the selected country because of the special conditions that have emerged during the recent years. A brief history check shows that from the beginning of the decade up until 2008, unemployment was steadily decreasing (Statistics.gr, 2014), gross domestic product was always positive (Eurostat, 2014), the Olympic Games were
hosted in Athens in 2004, Greece had joined the Euro-zone in 2002 and generally it was regarded as a period of growth.

Towards the end of 2009, the Greek government had found itself unable to support its debt. The government was just a breath away from declaring bankruptcy thus leading the country into a deep recession and economic crisis. Numerous fiscal measures were taken to help increase the government’s income while the government came to an agreement to receive additional financial aid from the European Union, the European Central Bank and the International Monetary Fund (the three together also known as Troika). The Greek society entered a period of severe austerity and increased taxation. Naturally, in this climate, many companies faced reduction in sales, performance and profitability which in turn affected the level of unemployment which from an 11.3% in January 2010 has reached 27.4% in September 2013 (Statistics.gr, 2014). Only very recently, the rate has dropped for the first time since 2008, being at 26.7% last January. A great number of people lost their jobs during these years, both in private and public sector. Up until 2010, the ceiling limit for collective dismissals was four persons per month for companies employing 20-150 persons and up to 2% for companies employing over 150 people. After a number of measures, the limit was increased at 5% (INE, 2013). Greece was not alone in this unfortunate predicament, as the global economy had already entered a period of recession starting with the U.S. crisis in 2007. The average unemployment rate in EU28 was decreasing since 2005, reached 7% in 2008 and since then it has been on the rise and being in 10.6% in February 2014 (Eurostat, 2014).

It is also relevant to take a look at the status of trade unions in Greece. The basis in the hierarchy is the union organized at profession or enterprise level. The secondary level is comprised by federations and Labor Centers and finally on the highest level there are the confederations. Two are the largest and stronger confederations; the Greek General Confederation of Labor (ΓΣΕΕ or GSEE) which represents the workers in the privat e sector. They negotiate the National Framework Agreement on Employment Conditions which sets the minimum wage as well as the minimum protection for the private sector (Stamati, 2010). GSEE currently has 157 members - federations and unions (gsee.gr, 2014), and the Administrative Council of Greek Civil Servants (ΑΔΕΔΥ or ADEDY) which represents all employees of the public sector and includes 46 federations (adedy.gr, 2014). The union density in Greece has been rather stable during the last decade, circulating around 25%. There was a drop from 25.7% to 24.5%, from 2001 until 2004, remaining stable for a few years and then dropping to the lowest point in 2008 (23.9%). Ever
since 2008, there has been a small increase every year until 2011 (25.4% in 2011) which is the latest year of available data (OECD, 2013).

Regarding the size of Greek enterprises, they are divided into four main categories: up to 10 persons, 11 to 19, 20 to 49 and over 50. The majority is small or medium-sized companies; in 2009, 57.8% of the labor force was employed in the first category, a 10.4% were employed in the category 11 to 19, a 7.5% were employed in the category 20 to 49 and a 10.4% were employed in the so called large companies occupying over 50 employees (Stamati, 2010).

1.2. Research Aim and Questions
Van Dalen and Henken (2013) claim that studies usually focus on normal conditions for gathering information; this in turn does not leave much space for researching extreme conditions. Meanwhile, the constantly increasing numbers of unemployment in Greece meant that a lot of people lost their jobs during these years. More precisely, there were around 4.5 million employed people in 2008 and this number has dropped down to 3.6 million by 2013 (statistics.gr, 2014). This implies that in companies large enough to support their own separate HR department, the HR managers must have been very busy organizing all those lay-offs. Hence, this is a case where an extreme situation creates a demand for a great part of the business world to react and take immediate measures, including the HR managers. Thus, there is now an opportunity to study the recent events and expand the knowledge concerning HRM in extreme conditions.

The purpose of this study is on a primary level to create a deeper understanding of the process of downsizing in Greek organizations during the financial crisis from the HRM perspective. On a secondary level, it is to add to the gap of information regarding HRM in extreme or out-of-ordinary situations such as a crisis.

Hence, the research question I intend to investigate is:

-How did Greek HR managers perform downsizing during the Greek financial crisis?

Two sub-questions can be added to better identify the problem: What were the main characteristics (strategies) of the downsizing process? What were the differences or similarities among the studied companies?

It is not the purpose of this paper to find the reasons that led to downsizing or whether the downsizing has been successful or not. As it will be explained below, it is a different type of
research to answer “why” than “how”. Hence, this paper is interested in the process of downsizing and its characteristic and not the causes or its success.

2. Links to Previous Research
In this section the previous literature concerning downsizing will be discussed. Firstly, the definition of downsizing will be given and subsequently the different perspectives under which the downsizing process has been studied.

2.1. Definition
Not all scholars give exactly the same definition as to what is downsizing. For some it is, in a more simplistic manner, “the intended reduction of personnel” (McKinley, Zhao & Rust 2000, p. 227) while for others it is “a set of activities undertaken on the part of the management of an organization and designed to improve organizational efficiency, productivity, and/or competitiveness” (Cameron 1994, p. 192). At the same time, scholars are careful not to confuse organizational downsizing with other terms. For instance, Cameron (1994) argues that organizational decline is not the same as downsizing because she identifies four distinguishing features in the latter; intent, personnel, efficiency and work processes. She states -and McKinley, Zhao and Rust (2000) agree - that downsizing is always an intended move, coming from the organisation’s own members and not from a third external force. It is not always aimed at layoffs but there are other ways like transfers, outplacement or retirement. Moreover, downsizing aims towards the improvement of the efficiency and finally it always affects the work processes, that is the way that work is done is certain positions. Budros (1999) argues that restructuring refers to the organisation’s reformation of bureaucratic structures, which are always subject to changes; divisions, units or levels might merge, be modified or be created. Such actions do not necessarily entail cuts in personnel in the same way that downsizing does not necessarily entail organisational reformation (ibid). In the current paper, the aforementioned definition from Cameron is going to be adopted on the grounds that it provides a wider and more elaborate explanation. In my opinion, it is too restricting to confine the act of downsizing only to the numbers of dismissals.

2.2. Why downsize?
One main area of research is concerned with answering why organizations practice downsizing. Is it merely financial reasons or is it something more? Although it is not within the scope of this paper to examine the reasons, it is still relevant for the better understanding of the phenomenon, to present a part of this literature here. Thus, the reader can form a clearer picture around the
process of downsizing and maybe draw parallel lines between the why and the how. For some researchers, economic reasons such as increase of profitability or efficiency are the main drivers of organizational downsizing hence focusing their research on the financial aspects (De Meuse, Vanderheiden & Bergmann, 1994; Luan, Tien & Chi, 2013). But sometimes such studies find that a downsizing is not always profitable for the company and it even has negative effects (De Meuse, Vanderheiden & Bergmann, 1994; De Meuse, Bergmann & Vanderheiden, 1997; Cascio 1993). Therefore, if firms keep on performing downsizing, then there has to be more reasons other than financial.

In order to explain why companies perform organizational downsizing even though it is not always beneficial, scholars turned to institutional theory and the notion of isomorphism (Budros, 1999; Muñoz-Bullón & Sánchez-Bueno, 2013; Tsai & Yen, 2013; Lee & Nam, 2013). McKinley, Zhao and Rust (2000) went as far as adding a third theoretical perspective along with the economic and institutional; the socio-cognitive, which stresses the influence of the personal interaction within managerial circles. Namely, ideas and impressions are formulated within these managerial communities which finally lead managers and hence organizations to downsize (ibid). Thus, ideas –such as downsizing- become norms and get institutionalized.

2.3. The effects of downsizing or how to downsize
Apart from the research for the reasons behind the downsizing trend, scholars try to find how downsizing is or should be done. The answer to “how” usually comes from looking at the effects of past downsizing cases on the companies or on the individuals. By looking at the financial impact on companies, Cascio (1993) comes up with a series of practical advice for managers. In the same rationalistic spirit, Cameron (1994) proposed three kinds of strategies (workforce reduction, work redesign and systemic); depending on the focus (headcount, jobs and culture) the strategies are shaped accordingly. In more detail, when the focus is headcount and a company wants to see quick results, they implement lay-offs, retrenchment, hiring freeze and early retirement. On a more moderate term time frame the focus is on the jobs themselves which demands actions such as job redesign, merging or eliminating of units and work-hour reduction. Finally, when the focus is the company culture then the changes include production methods, customer and staff relations and continuous improvement. Cameron (1994) also found that companies can implement one or more strategies at the same time. When they do that they have more breadth in their strategies. Furthermore, they can take various different actions within the same strategy, in which case they more depth in their strategy (ibid).
Freeman (1994) proposed two approaches based on models which distinguish two major periods in every organization’s life; a period of stability where the organization has momentum and strengthens its strategic orientation, and a period of drastic change where the organization has to adapt and re-direct its focus. Hence downsizing comes as convergence or as reorientation, respectively. Following that, Freeman (1994) describes the two approaches and goes into detail about their characteristics.

In the case of downsizing as convergence, the general attitude is to continuously improve oneself and become more efficient or better. Namely, change does not only concern an organisation's structure but the everyday work as well. As for the strategy itself, it can either be that the downsizing drives the redesign or vice versa. It can start, for example, when a position is left vacant and after some thinking, the position is deemed unnecessary. Normal attrition can be a tactic for downsizing and lay-offs can be avoided because change occurs on a small (micro) level which makes it easier for employees to be transferred or out-placed (Freeman 1994).

In the reorientation approach, there has to be a major re-adjustment probably due to an external change or crisis. The design drives the downsizing, for example when the new design demands the merging of two departments and the subsequent loss of some positions. There is a combination of top-down approach and bottom-up participation and implementation. There is a question-everything mentality throughout the process and it should be perceived as an opportunity to rethink and re-evaluate its existence, no matter what kind of reason brought the company to downsize. Tactics for this kind of downsizing include not only lay-offs and early retirement but also retraining and redeployment of personnel. Furthermore, downsizing should be done gradually and selectively in order to maintain all the necessary skills and talent in the organization (Freeman 1994).

Moving away from the strictly financial effects of downsizing, Wilkinson (2005) underlines the importance of HRM in the process of downsizing as well as criticizes the purely financial view towards downsizing. Stjernberg and Tillberg, (1998) taking in consideration the negative effects on the individual, propose that downsizing should be performed with social responsibility values and ethics. At the same time, De Vries and Balazs (1997) also looked into downsizing from the individual’s point of view and offered practical suggestions in order to reduce negative effects such as stress or bad psychology. Finally, Kim (2003) tackled the matter from the individual’s perspective as well in a study about Korea’s economic crisis in 1997. The study showed that not
only the fired employees were negatively affected but also the ones that kept their positions, being later referred to as “lay-off survivors”.

Keeping on with the relation between HRM and downsizing, Sahdev, Vinnicombe and Tyson (1999) investigated the development of the role of the HRM using HR transformation theory and identified various challenges the HRM has to face such as the management of employees' well-being, expectations and careers. In addition, Shook and Roth (2011) performed a study among HR practitioners which had participated in a merger and acquisition or in a downsizing and concluded the HR practitioners were left out from the decision-taking process. Instead, it was concluded that they only were responsible for the carrying out the decisions (ibid).

Gandolfi (2013) concluded from the existing literature that successful downsizing efforts have certain common tactics. These are: the consideration of human resources as asset instead of a cost, a well-developed long-term strategic plan, participation and contribution from all employee levels, support from top management in the form of motivating and trustworthy leadership, broad and open communication in all levels and support to laid-off people as well as to the survivors (ibid).

Finally, Van Dalen and Henkens (2013) addressed the dilemmas that employers in six European countries (Italy, Germany, Denmark, Poland, the Netherlands and Sweden) face when it comes to downsizing practices during the financial crisis. With the survey they conducted (although with admittedly low response rate) they concluded that employers prefer to downsize through short-time work, early retirement and buy-outs. Only in Denmark, the preferred action is reduced work-hours. The researchers also identified a “sense of generational fairness” i.e. giving more chances to younger generations and encouraging older generations to retire. This prompts the employers to use mostly early retirement packages, especially when employment protection is perceived as high (ibid).

3. Theoretical Framework
Given the purpose of the study –which is to investigate how downsizing was carried out by Greek HR practitioners during the years of financial crisis- and given its “national” or sociological aspect it is appropriate to assume a theoretical framework based on the institutional theory. That is because institutional theory has its foundations on the sociological paradigm which gives a broader perspective than the economic/rational one. Jepperson (1991, p. 149) defines institutions as “socially constructed, routine-reproduced (ceteris paribus), program or rule
systems. They operate as relative fixtures of constraining environments and are accompanied by taken-for-granted accounts”. When a system is in the process of attaining these characteristics it becomes institutionalized (ibid). According to institutional theory, organizations have a tendency to look alike and this tendency is named institutional isomorphism (DiMaggio & Powell, 1983). Institutional isomorphism is driven by three kinds of mechanisms; coercive, mimetic and normative (ibid). Coercive isomorphism can be observed when an organization is forced or advised to submit to certain regulations or expectations usually by political influences or authorities. Such an example can be the legislative framework of one country and thereby the organization gains in legitimacy. Mimetic forces appear when organizations face uncertainty. In this case, the organization resorts to adopting models of organizational structure that are considered to be successful in similar organizations, without however guaranteeing financial or efficiency benefits. Finally, the normative isomorphism is caused by professionalization, thereby meaning the way that universities and professional networks define how work should be done. Hence, if the practices are similar among the Greek companies, it is possible to explain it as a result of isomorphism.

The institutionalist perspective has also been put to use in studies of economies in transition or emerging economies. Roth and Kostova (2003) investigated how companies should respond to cases of economies facing institutional upheaval. Although it is out of the scope of this research to determine if Greece faces indeed an institutional upheaval or can be considered as an emerging economy, it seems obvious that the Greek economy and society are indeed in a critical state. It is assumed that in the current critical state of the Greek economy it is more probable that companies will try to manage their losses and to adapt to the institutional changes rather than try to differentiate and achieve a competitive advantage. Therefore, adopting the institutional framework will help to give a better view of the picture.

Institutionalism has not been without criticism. For instance, McKinley, Zhao and Rust (2000) weighed the advantages and disadvantages of using the institutional framework on downsizing. They recognized the fruitfulness and positive outcomes of the use of the institutional perspective so far but they also identified a gap that institutionalism fails to fill; the micro-level. Namely, what are the cognitive processes that occur on a micro-level among the managers and how they end up being institutionalized and legitimized? They attempted to explain this process using a framework based on socio-cognitive background.
4. Methodology
This section describes the methodology followed in this study; more precisely, how the research was approached, what kind of companies, how they were chosen and the interview process.

4.1. Research Approach
On the grounds that the purpose of the study is to study how Greek HR practitioners performed downsizing, namely to study a process as well as the perspectives of the people involved in this process, this suggests that the appropriate type of research should be qualitative (Hakim, 2000). According to Bryman (2012) ethnography or participatory observation, qualitative interviewing, focus groups and discourse analysis are among the main methods used for qualitative research. For the present paper, qualitative interviewing was the chosen method and semi-structured interviews were the tool for the gathering of the data. The interview subjects were HR practitioners working in various Greek companies (see table 1). All interview subjects were chosen because of their active involvement in a recent downsizing process, thereby meaning that they were present at the time of the downsizing and they were working with the process; therefore they were able to describe and reflect on the process.

In order to analyse the results, I divided the data into themes. The first theme was sector and company, where I made a distinction between different types of sectors and the companies that belong in each sector. In addition, I chose themes that emerged in all the interviews, which were; the criteria for dismissals, the trade unions, the difficulties that HR managers faced in their work, the role of the HR department and finally some general learnings that the HR managers reflected upon.

4.2. Case Companies
Coming to the case companies, nine of them belong to the private sector and one belongs to the public sector. The latter is the company responsible for the water supply and sanitation for one of Greece’s major towns. It is now 70% owned by the public sector and is present in the Greek stock market. The reason for including a public sector company is because one of Troika’s main pillars in their program was to drastically decrease the size of the public sector and so this gives a glimpse of what is going on in the public sector.

From the private sector, four case companies belong to the food manufacturing sector and particularly in dairy products. Be it milk, yoghurt or other products that they might be specialised in, they all are well-known in the Greek market and are big players. Within the manufacturing and distribution sector, there were also one organisation dealing with packaging systems and
materials and one dealing with biological food, member or a very large Greek group. In addition, two companies work in the services sector; one provides certifications and the other IT solutions. Finally there was one company within the petrol and oil distribution sector. With this collection of companies it was possible to extract details in various industrial sectors of the economy. Food manufacturing sector was selected on the grounds that it is rumoured to be one of the most strongly unionised in Greece. All these companies went through a downsizing process during the years 2008 until 2013, which is the highest point of the crisis -especially the first three years.

4.3. Interview Process
All the interview subjects work at the HR department with the exception of the IT company in which case the interviewee is the chief executive officer (CEO). Six of the interviews were done through the phone (via internet) and four were done through Skype. They were semi-structured, with a standard guideline and necessary questions were added when necessary, for example for clarification or more details (see appendix for the interview guideline). As is the case with depth interviews (Hakim, 2000) the length of the interviews varied and all of them were recorded. As the language in which the interviews were done was Greek, I translated and then transcribed everything into paper. Finally I performed the analysis by producing the aforementioned themes and by coding the data.

A disadvantage of long distance interviewing is that distance can diminish the quality of the data because it makes the interaction more impersonal or there can be technical difficulties. Subtle expressions or small gestures are lost. There were a few cases where I contacted companies but they were not willing to share information. This was an extra difficulty because some people were reluctant to talk and I noticed it even with some people I did manage to talk with.

Due to the sensitivity of the subject and due to ethical considerations no names from companies or people are going to be revealed. I made clear to all the potential interviewees that their anonymity would be protected and I revealed the nature of the study in order to avoid managers being deceived. I sent the interview guideline to everyone beforehand so that they establish trust towards me and my research. In addition, I asked permission from everyone to record the interview.

According to Bryman (2012), qualitative research faces certain criticism; it is of overly subjective nature, it is hard to replicate such studies, the results are not generalizable and it lacks in transparency. However, I took into consideration Guba and Lincoln’s (1994) suggested criteria
to strengthen the trustworthiness of my research; credibility, transferability and dependability. By performing my research in good practice and diffusing my results anywhere possible I add to the study’s credibility. By producing a thick description of the events I assist others to judge the transferability of my findings. With my supervisor and colleagues acting as “auditors” and giving me feedback in different stages of the research I strengthen the paper’s dependability.

Table 1: List of companies and interviewees

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Position</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Town</td>
<td>Public/Sanitation</td>
<td>HR Director</td>
<td>Phone</td>
</tr>
<tr>
<td>Mountain Cheese</td>
<td>Food Processing &amp; Manufacturing</td>
<td>HR Manager</td>
<td>Phone</td>
</tr>
<tr>
<td>D Dairy</td>
<td>Food Processing &amp; Manufacturing</td>
<td>HR Director</td>
<td>Skype</td>
</tr>
<tr>
<td>MilkA</td>
<td>Food Processing &amp; Manufacturing</td>
<td>HR Director</td>
<td>Phone</td>
</tr>
<tr>
<td>Greek Yoghurt</td>
<td>Food Processing &amp; Manufacturing</td>
<td>HR Supervisor</td>
<td>Phone</td>
</tr>
<tr>
<td>Greek IT</td>
<td>Services</td>
<td>CEO</td>
<td>Skype</td>
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<td>Phone</td>
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<tr>
<td>Lamda Group</td>
<td>Manufacturing Industry</td>
<td>HR Director</td>
<td>Skype</td>
</tr>
<tr>
<td>Oil GR</td>
<td>Energy</td>
<td>HR Director</td>
<td>Phone</td>
</tr>
</tbody>
</table>

5. Results and Analysis

In this chapter, the results are going to be presented. First, they are divided according to sectors and company, and later according to criteria, relation with trade unions, difficulties, the HR role and miscellaneous learnings.

5.1. The Public Sector

As aforementioned, one public sector company was included in the research; the water supply and sanitation company of a big town in Greece which can be referred to as “Water Town” The interview was conducted with the HR director who serves also as governance director. According to him, all guidelines and instructions regarding the employment in the organisation have been provided by the government. Regarding his own or the HR department's involvement in the process he said;

“No involvement, we just try to fix the problems that come up, with for example reallocations of employees wherever it's possible, in order to solve problems” Water Town
In other words, the HR director claimed that he had no say but merely followed orders. Hence, the way that the downsizing came about was by stopping any recruiting activity, namely by a hiring freeze, as it was instructed by the government. That way, the amount of employees started decreasing only by the planned retirements. According to him, this way of downsizing was followed quite widely in the public sector and an alternative way that was followed elsewhere was voluntary exit. As no new people are hired and older people leave due to retirement, the organisation decreases in size but this brings problems in the work distribution, the HR director claimed. He also revealed that around two thirds of the workforce are about to retire during the next two or three years. There are already many positions that are left vacant and cannot be filled again internally, which is a sign that the organisation is facing a shortage in personnel. The union did not react until recently when they started requesting more hires which in the manager's opinion it is a very justified move given the extreme situation that they are facing at the moment.

5.2. The Private Sector

5.2.1. Food Processing and Manufacturing
Four interviews were conducted in the dairy product industry. First, there were the “Mountain Cheese” group, a group based in the country side. It is a rather young group, founded in the 1980s and according to the interviewee it has a very strong family character. Mountain Cheese has managed to avoid lay-offs and has only proceeded to a 10% reduction for salaries which took place in 2012. According to the interviewee, their goal was to avoid any redundancies and they succeeded. It was the stockholders who took the decision for the salary reduction and the HR department carried out the decision by handling both financial and personal issues. The HR department is in a development process and in a process of strengthening its role. In order for the salary reduction to take place, the company collaborated with the union and turned the collective industrial agreements into enterprise agreements. Reflecting on the most important learning outcomes for her, the manager stated;

“The human factor and the managing of labour and financial matters are very important. Careful handling is needed and most of all not to lose the trust relationship between employer and employee, let alone in an extremely family group such as ours” Mountain Cheese

For her there were no particular difficulties other than “two or three employees who did not accept the new enterprise agreement and left the company”.

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In one other company, which will be referred to as “Greek Yoghurt”, downsizing consisted of lay-offs but no salary reduction. Greek Yoghurt is based in Athens and is one of the oldest in the sector, dating back to 1920s. The decision was taken by the executive board in which the HR director is also present and it was quite early in the course of the crisis; in 2009. The HR department, in collaboration with other line managers would take into consideration the worker's performance assessment and marital status in order to decide as to who would be laid off. The marital status and the number of children were the main factors and were more important than the assessment. Singles, for example, were first to go.

“Between someone with three kids and someone with one kid we could not use the appraisal; the one with one kid would have to leave” Greek Yoghurt

The union, which according to the interviewee is one of the stronger in Greece, reacted with strikes, but eventually the dismissals were not avoided. The hardest part according to the interviewee was the existence of personal relations with the people which makes it difficult to choose and lay off someone. In his words;

“To manage to select the people to leave because they worked here for a long time, we personally knew them, we talked for out-of-work matters, there was a friendly relation. So unfortunately this was one of the worst experiences during that time. Mostly that, emotional trouble, but we had to follow the orders.” D Dairy

The company here referred to as “D Dairy” has proceeded to both salary and personnel reduction. The executive board of the mother company decided that it was needed for the company to become leaner and also asked for cost reduction. Then the HR management decided that salary and personnel reduction were the best ways in order to achieve the boards’ requests. There was a 15% salary reduction for everyone but the administration excluded a few positions from that reduction, without making known who were excluded. At the same time, the company had to reorganise in order to become more efficient and lean so there was a restructuring of the work places. The responsible line managers with the corresponding director and an HR manager, reviewed all the current positions and assessed the necessary workload. The company was quite flexible, with the majority of employees being seasonal employees -around one hundred and twenty permanent and around three hundred seasonal employees. Consequently, they did not have to fire a lot of people but they mainly stopped to renew the contracts of seasonal workers. The people who eventually got laid-off were chosen by performance criteria.
There were only a few permanent workers who were fired and who were under-qualified. So basically we stopped employing the seasonal workers. So we didn't have to get involved in some kind of confrontation, we just didn't renew the contracts. Only a few, insufficient workers were laid off.” *D Dairy*

Again in this case, the collaboration with the union was successful and the negotiations had as a result the change from industrial agreements to enterprise agreement.

Concluding the group of dairy companies, there was “MilkA”, a company that operates since the 1950s, is based in northern Greece and milk is their main product. In their case, they downsized mainly through outsourcing. Namely, they closed down some of their distributing branches in some towns and started cooperating with independent distributors. This could reduce their cost as it was their goal. This plan was proposed by some executive members, presented to the strategy board -member of which is the HR director as well- and finally was approved by the CEO. The HR department took part in the evaluation of this proposal and then assumed responsibility for issues such as: prioritising the positions to be evaluated according to the regulations and constrictions, evaluation and handling of the union's reaction, assistance to the laid-off personnel towards their hiring from new partners, communication of the whole plan to the employees. When asked about the lay-off criteria, the HR director clarified;

“*With the cease of activity of a branch store, all the workers in the logistics and distributing positions automatically had no work; hence the deletion of work places was the criterion, not the position holders*” *MilkA*

The company tried to out-place workers from those branches to the new distribution partners who would need more personnel to handle the increased workload. The union at the central plant was convinced and ready to collaborate but the union at the branch in Athens -led by a specific political party, according to the HR director- reacted by blocking the entrance or taking over the factory. Eventually, they could not reverse the course things had taken.

5.2.2. *Industry*

Continuing in the manufacturing sector but to a different kind of product, “Package Hellas Group” is a group stationed in Athens but operating in various other countries as well and it deals with packaging machines, materials and systems. The interview was done with the HR director of Greece and she stated that they used various options. Firstly, back in 2008 they needed to reduce cost so they applied a general job rotation; that is the personnel were divided in
teams and they stayed at home for one or two months while receiving 50% of their salary. At that stage however, that decision was taken by the CEO as there was no self-standing HR director. By 2009, the said HR director was hired and at the same time it was obvious that they needed to reduce even more costs. So the HR director proposed a plan for lay-offs, to gradually cut back around eighty to one hundred positions and together with the CEO they decided to proceed with it. The basic criterion was the employee's performance appraisal: the HR director would discuss with the department directors about who was more suitable to go and the final decision was done by the latter. Hence, the lowest performing employees were let go. Afterwards, when things were somewhat more stable they applied reduced work-hour system, during which the employees worked fewer days per month. Later on, they also formed a plan to promote early retirements by giving incentives to the people near retirement age. Around that point, it became absolutely necessary to reduce positions in a specific plant in northern Greece in which case people had to be laid-off independent of their performance. Then, those people were out-placed in other job with the help of the HR department.

One very big Greek Group, “Lamda Group” was very successful mainly in the field of pharmaceuticals. They had branched in various other sectors having in total 29 subsidiaries. Those subsidiaries had different HR directors and seven of them had the same one with which an interview was conducted. These subsidiaries were dealing with biological products and alternative forms of medicine. In 2009 there was already a huge turnover decrease for the group. The first measure they took was lay-offs to immediately reduce costs. They started by targeting the people with over budget salaries. After coming up with the list of those people they would consider social criteria such as family status and children and of course performance criteria.

“You can more easily let go someone without kids, for example between two people with same productivity, same appraisal and one has 3 kids you pick the other one”. Lamda Group

The line manager would present a list of candidates for redundancy which would be discussed by the administration and a decision would be made. They usually had the tactic to let people know at the last minute, after their shift they were told that they were being laid-off and receive the compensation cheque. Through this process however the interviewee has “learned more about how to handle the feelings at that moment, to make them see things a bit more positive and offer solutions to problems, not just present the problem but help with possible solutions”. Adding to the difficulty, the fact the despite the group's size, recruitment was done internally to a
large extent, which meant that people knew each other and there was a family atmosphere. People thought that they would retire from that job so it was difficult to accept what was going on. However, according to the interviewee, the managers and especially the higher ranking ones were the ones having the most difficulty to accept their own dismissal and they reacted more. After a period of lay-offs they turned to measures like reduction of overtime and job rotation for a few months which also helped them to reduce the salary cost. The labour union was present by questioning each move but they seemed to trust the administration. Eventually, the group was found to be neck-deep in debts and the CEO found himself accused for financial crimes and the group exists no more.

5.2.3. Services
In the sector of services, there was a company which provides certifications and will be referred to as “Greek Certifications”. This company operates in Greece as well as in other European countries, with a lot of external partners. The HR manager characterises the company's administration style as “anthropocentric” meaning that they have a team approach with various group activities. The average age is low and the CEO has the major part in all the decision-making, even up to a ninety percent, according to the manager. For the downsizing process, it was the manager, the HR manager and the CEO that discussed and took the decisions. The layoffs were few and they happened based on the employee's performance. Salary reduction was not an option because of the already low salaries within the company.

“Greek IT” is a company providing IT solutions; it is founded in the 1980s and is based in northern Greece. The interviewee in that case was the CEO himself and apparently he was very involved in HR matters as well even though there is an HR manager. It is another case of a family company with a lot of personal relations, even though it operates all over Greece.

“...we have personal relations, everyone looks at you in the eyes, we're not a multinational we're more of a family business.” Greek IT

All the problems and troubles were always communicated to the employees. Firstly, lay-offs came about as the necessary evil and then when the company could not afford to pay any more compensation packages they resorted to the measure of reduced work time. The CEO together with the directors assessed all the workload and re-evaluated the positions in order to make the company leaner. Then basic criteria for the lay-offs were social criteria so first on the list to go were people with no family obligations or people who had a better chance of surviving job-less.
The redundancies occurred slowly at the pace of each month which was the legal way, but according to the CEO, it was more painful because it created a heavy atmosphere. He stated “in one department of 3 people, one month leaves for example “Petros”; who leaves next month? Is it going to be me or the other guy?” Efforts were made for some people to be out-placed in other jobs.

5.2.4. Energy

“Oil Gr” is a petrol, fuel, lubricant distribution group with numerous gas stations all over the country. Their way of reducing personnel was by early retirement. They mapped out the benefits they could offer, the amount of compensation and insurance and they announced it to everyone by e-mail. Men over 50 and women over 47 had the option of accepting the offer but nothing was mandatory. The HR management talked with all the employees in that age group and explained the benefits for them and gave them a period of one month to reflect on it and take a decision. Twenty from around fifty people accepted the package and then for the next six months they would have to train their replacements -the replacement occurred internally. The transition was the hardest part according to the HR director and that is why they gave six months’ time for the training. She also admitted that they studied what other companies do but that influence was not that significant because they could not afford to give as many benefits as other larger companies. She maintained that;

“Yes we could have laid people off but we’re not the kind of company who wanted to do this, we wanted to be close to the workers, close to their needs, because they also had needs, people who were near retirement. It was a decision beneficial for both workers and the company”.

Oil GR

Since, the company never reached a point where they had to absolutely lay-off somebody it was the ideal solution, according to her.

5.3. Criteria for Dismissals

Since dismissals were the most used downsizing action, it is reasonable to identify the different criteria used for the lay-offs by those companies. The types of criteria can be divided into four categories: a) social criteria such as marital status, number of children, spouse work status, b) performance criteria meaning the worker's performance appraisal or productivity, c) financial criteria such as the salary of an employee and finally d) the category of no criteria, namely the situation when a whole plant had to shut down, in which case all employees had to be laid-off.
Performance criteria were the most widely used but it turns out that whenever they were combined with social criteria, then the latter were prioritised. Specifically, Greek Yoghurt and Lamda Group used a combination of social and performance criteria but the most important according to them were the social criteria.

From a strict financial point of view this might not be the best option for the company because it could be that, for instance, a particular single person is more productive than a particular married one. This would mean loss for the company. However, according to these managers, this is what was considered as more fair towards the employees. One could say that it is a form of corporate social responsibility for the companies' own workforce. The managers in all the three companies that involved social criteria claimed that the environment was quite personal if not family-like. In Greek IT, for example, there were a couple of cases that the person being laid-off did not believe the HR manager but wanted to hear it directly from the CEO.

Yet, even in the large group of twenty nine business units and subsidiaries that compiled the Lamda Group there was a similar feeling and environment, according to the HR manager.

“All recruitment happened internally, we wouldn't hire someone who hadn't been suggested by one of our employees, so the climate was very family-like; people knew each other.” Lamda Group

However, for the Lamda Group, the salary budget was also crucial for the first “wave” of layoffs. The first lists of potential redundancies were based on who had over-budget salary and then the social and performance criteria were taken into consideration.

For three other companies, performance was the most important criterion. D Dairy decided to let go the most under-qualified employees based solely on their performance and efficiency. Prior to this, there had been a restructuring process in which the necessary positions were agreed to.

“We go according to the organization's plan and we check e.g. in accounting there were 5 people doing some tasks. Then it was evaluated that those tasks can be done by two people which is also safe in case one has to be absent. This happened everywhere and we came up with the total amount of employees that were needed.” D Dairy

During this whole process, the HR manager and the responsible line managers or directors would cooperate in order to select who should be laid-off.
Same case with Package Hellas; their main criterion was performance. There was a performance appraisal conducted top-down and then the HR director would collect the documents and discuss with the relevant department director over the candidates. The selection here was finally done by the department director.

5.4. HR and Unions

Gathering all the instances of union involvement, it is evident that unions have been much more active in the food manufacturing sector. All four companies that belong to this sector had interaction or cooperation with unions. In two cases (Greek Yoghurt and MilkA) there was friction with the labour union leading to strikes and tension that even made the news. The other two companies cooperated successfully and achieved the modification of the collective agreements. It is notable that the instances of friction with unions took place in Athens, at Greek Yoghurt's headquarters and at MilkA's branch store but this could be due to the greater number of dismissals that had to be done there. Somewhat active have also been the labour unions in Water Town and Lamda Group, in the sense that they asked questions and showcased interest in what is going on. The rest four companies are characterised by absence or no involvement of any union entity.

5.5. Difficulties

The managers involved in the downsizing processes identified some of the major problems they had to face. Two are the major themes that were identified; consideration of the employees and organisational troubles.

The first theme has to do with the HR managers taking into consideration the perspective of the employees and the effort to treat them as fairly as possible. This was mainly observed in companies that followed the lay-off downsizing approach. The HR manager from D Dairy stressed that;

“One of the most important (difficulty) was the distrust and disbelief of some employees. Some thought that it was just the beginning, 15% now; 25% tomorrow and then 35%” (referring to the salary cutbacks). D Dairy

One other aspect of this theme is the family character of some of the companies. As mentioned before, some companies had developed from family businesses which meant that personal
relations had formed within them. Long-time tenure and personal relations made it harder for the managers to decide on which people should be laid-off.

“People worked for many years there, some thought they would retire from there so this was the biggest difficulty I had to face.” Lamda Group

The manager from Greek Yoghurt puts it vividly;

“…apparently, in good times it can be the best job and in bad times it could be the worse job”.

Greek Yoghurt

Meanwhile, within the bigger organisation such as Package Hellas there is the perspective that;

“…it’s hard knowing that someone is losing their job but then again it's fifty-fifty because it could also be a matter of performance, you know everyone is responsible for their actions and for their performance” Package Hellas

This quote signifies a more rationalistic business approach which makes sense seeing that it is not one of the family businesses.

The second theme has to do with practical difficulties that came about with the downsizing processes. For example, Water Town and Oil Gr faced a similar situation of replacement problems because of the retirements (early or regular). However, the causes are different as well as the ability to react to the problem. Water Town was forced into this situation of hiring freeze by the government and the only new people entering the company are interns but none of them stay longer than their duration of their internship. When asked about how well the HR department functions, the HR director of Water Town commented on the political situation by claiming that they cannot even function properly as a company, let alone the HR department.

“We were used by whoever is in power” Water Town

Oil Gr, on the other side, made a conscious decision to downsize using early retirement benefits and they planned it so they could have a transition period during which the knowledge can be transferred.
5.6. The HR Role
Discussing the role of the HR department, all the managers agree to its important role for the downsizing process. “Decisive”, “crucial”, “driving” are some of the adjectives used by most of the managers to characterise it. Most of the times, the HR director took part at the executive board and at the decision-making. In addition, by and large, it was the HR department that made the propositions for downsizing action which then had to be approved by the CEO and the executive board. Concerning the decision on who has to be laid-off, it was not the HR manager alone that was taking the final decision but in collaboration with a line manager or director.

5.7. Learnings
The interviewees were asked to reflect on things that they learned from their experience with downsizing. The managers from Water Town and MilkA agreed to the importance of good and careful planning. But the former focused on planning coming from the company itself, in other words, being independent from the state and the government. He commented that public organisations such as this should be governed by their own employees and not by state-appointed people or politicians who are there only for as long their political party has the power.

For some other managers, it was the toughness of having to dismiss people that stuck out. However, there are various aspects that each one pointed to. For example, the manager of Package Hellas underlined the importance of keeping both employers and employees satisfied and finding a balance.

“This experience makes you try to find other ways to do downsizing without having dire consequences for the company or the employees.” Package Hellas

The managers from Greek Certifications, Greek IT, and Lamda Group referred to the management of people's feelings during the dismissals. They experienced a wide variety of reactions from the workers, sometimes bordering on extremes. That is a moment when you have to show support and try to offer some alternatives or solutions, according to the manager from Lamda Group. And even if there are no dismissals involved, again the manager has to maintain and preserve the trust between her/him and the worker, recollected the manager from Mountain Cheese, especially in a family group like theirs.
One interesting remark came from the HR director of D Dairy. He concluded that in their case fear was a very important element that brought the two sides -administration and union- in agreement. On one hand, the administration was afraid of uprising and reactions from the side of the workers, following the measures. On the other hand, the workers were afraid that if the company goes out of business they will lose their jobs, so inevitably some measures need to be taken.

Table 2: Summary of the main findings

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Downsizing Strategy</th>
<th>Actions</th>
<th>Decision maker</th>
<th>Criteria for dismissals</th>
<th>Difficulties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Town</td>
<td>Workforce Reduction</td>
<td>Hiring Freeze</td>
<td>Government</td>
<td>Not applicable</td>
<td>Organizational troubles</td>
</tr>
<tr>
<td>Mountain Cheese</td>
<td>Workforce Reduction</td>
<td>Salary Reduction</td>
<td>Executive board</td>
<td>Not applicable</td>
<td>Consideration of employees</td>
</tr>
<tr>
<td>D Dairy</td>
<td>Workforce Reduction &amp; Work Redesign</td>
<td>Salary Reduction &amp; Dismissals</td>
<td>Executive board</td>
<td>Social/ performance</td>
<td>Consideration of employees</td>
</tr>
<tr>
<td>MilkA</td>
<td>Workforce Reduction &amp; Work Redesign</td>
<td>Dismissals (Outsourcing)</td>
<td>Executive board incl. HR director</td>
<td>No criteria</td>
<td>Organizational troubles</td>
</tr>
<tr>
<td>Greek Yoghurt</td>
<td>Workforce Reduction</td>
<td>Dismissals</td>
<td>Executive board incl. HR director</td>
<td>Social/ Performance</td>
<td>Consideration of employees</td>
</tr>
<tr>
<td>Greek IT</td>
<td>Workforce Reduction &amp; Work Redesign</td>
<td>Dismissals/ Reduced Work Hours</td>
<td>Executive board incl. HR director</td>
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</tr>
<tr>
<td>Greek Certifications</td>
<td>Workforce Reduction</td>
<td>Dismissals</td>
<td>CEO with HR director</td>
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</tr>
<tr>
<td>Package Hellas</td>
<td>Workforce Reduction</td>
<td>Dismissals/ Reduced Work Hours/ Job Rotation/ Early Retirement</td>
<td>Administration with HR director</td>
<td>Performance</td>
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</tr>
<tr>
<td>Lamda Group</td>
<td>Workforce Reduction</td>
<td>Dismissals/ Job Rotation</td>
<td>Executive board incl. HR director</td>
<td>Financial/ social/ performance</td>
<td>Consideration of employees</td>
</tr>
<tr>
<td>Oil GR</td>
<td>Workforce Reduction</td>
<td>Early Retirement</td>
<td>Administration and HR director</td>
<td>Not applicable</td>
<td>Organizational troubles</td>
</tr>
</tbody>
</table>
6. Discussion
In the following chapter, the results will be discussed under the prism of institutional theory and in juxtaposition with previous research.

6.1. Downsizing Strategies
The events in the public sector are part of a bigger plan that has been set in motion ever since Greece came into an agreement with Troika. It is part of a greater institutional change that aims for the shrinking of the public sector. Salary reduction and early retirement are among the main measures taken from the government with the latter being implemented in the biggest Greek banks as well (INE, 2013). Measures or regulations like these are linked with the creation of coercive isomorphism in organisations (DiMaggio & Powell, 1983). Hence, organisations and companies of the public sector are bound to downsize in a similar fashion. At the same time, there is not much space left for HR managers in the public sector to act independently.

The private sector has also been largely affected by the recent measures. There is an effort to deregulate the market and the employment relations; results from Troika's imposed regulations (INE, 2013). Meanwhile, given the results in this research, all companies implemented some form of workforce reduction strategy and most of them used lay-offs to reduce personnel. Mountain Cheese did not directly decide to reduce their workforce but as the manager said a few people who did not agree with the salary cuts quit. Hence, it can be said that they used the workforce reduction strategy indirectly or involuntarily. These results show a high degree of isomorphism on organisational level. Hence, even though the private sector is more flexible than the public and even though the managers have more options, the basic strategy was to reduce the workforce. However, it is a combination of coercive and mimetic isomorphism; coercive because, as aforementioned, the employment protection regulations became more flexible and companies were able to lay-off more easily and not lose in legitimacy. Mimetic because companies were hit very abruptly by the crisis and faced with uncertainty. Oil GR, for instance, researched other companies before taking action.

According to Stamati's (2010) report on restructuring in Greece “voluntary exit is recorded as the most ordinary form of downsizing” (p 54). Comparing my results with Stamati's findings, it is clear that they do not agree because the majority of the companies in the present study used dismissals. In comparison with Van Dalen and Henkens' (2013) findings on downsizing practices in other European countries, things are different in Greece because the use of dismissals is the
favoured downsizing way. Although they try to avoid it, still it is the most common way to downsize.

6.2. Dismissal Criteria
In some of the studied Greek companies, the perception of social justice in dismissals revolves more around the family. In other words, if someone has a family it is more just for them to keep their jobs. There is also the notion that a 30 year-old person is more likely to find a job again than a 40 or 50 year-old. In the case, however, that the company does not consider any social criteria, they then focus on performance matters and on how they affect the company's own productivity. Thus, on organisational level, there is no unique practice among the companies regarding their criteria for dismissals. In the same way the companies acted similarly and used dismissals, it would be expected for them to use the same dismissal criteria; the expected isomorphism. This, however, is not evident in this case. How could this divergence be explained? From an institutionalist perspective, there is no single institutionalised practice mandating dismissal criteria yet. Or there are a few, which gives the opportunity to companies and HR managers to choose from.

The family-like companies either tried and managed to avoid lay-offs (Mountain Cheese and Oil GR) or based the lay-offs mainly on social criteria. The companies are not forced by the law to use these social criteria, however they choose to use them in a that-is-how-we-do-things-in-this-company way. Hence, if the board or the CEO decides to act in this way the HR manager has to follow. From my experience, this family-favouring character was even stronger in the past but it is fading as some companies become larger and are getting all the more influenced by the European or international business environment. Although it is out of the scope of this paper, I would go as far as saying that this is an institutional change that is going on, which changes the character of companies from family oriented to a more modernised version.

Nowhere was there any case of the Last In First Out (LIFO) approach in lay-offs. The LIFO approach is particularly well-known and adopted in Nordic countries, Sweden included, as well as in the United Kingdom (Moore, Thomson and Luton, 2008). According to this approach, the people selected to be laid-off are the most recently hired ones. It plays no role how productive or promising one is but how long their tenure has been. In this way, seniority is prioritised and rewarded by the employer. At the same time, it is thought to provide an objective guideline for dismissals (ibid). This framework points to a fundamental institutional difference in the way of
thinking between the Greek managers and for example their Swedish counterparts, which is also supported by the current legislation.

6.3. The HR manager’s Role
Even though the market is more deregulated now than in the past, some institutional constraints are still present when it comes to choosing who will be laid-off. However, these constraints are sometimes limited within one organisation because, as aforementioned, not all companies have this family character. Personal relations as well as family status are things that a Greek HR manager has to consider, depending on the culture of each company. Willingly or unwillingly, the managers have to abide by the unwritten institutions that exist within the context of the company they work in. They are subjected to normative pressures that stem either from the CEO or the surrounding occupational environment which results in normative isomorphism; hence Greek HR managers incorporate these social/company values in their work and treat the people accordingly. But surely it is not just the workplace environment that has this influence because even though there is not particular legislation about the dismissal criteria, some specific views are embedded in the society in the form of institutions. Such an example is the mentality of dismissing a person with no family obligations.

7. Conclusion
The purpose of this paper has been to investigate the process with which downsizing was performed in Greek companies during the financial crisis. It has been shown that workforce reduction was the dominant strategy among Greek HR managers. In most of the cases, the administration would decide to cut costs and the HR department would come up with a proposition which then the administration would approve or deny. However, things are different in the public sector because the HR manager there does not have the freedom to choose between different options. Hiring freeze was the downsizing method in the studied public company and early retirement packages in other public organisations. In the private sector, the reduction was usually achieved through dismissals. The criteria for dismissals were mainly based on social and performance-related criteria and there was no case of LIFO approach.

In a few cases other ways were followed i.e. early retirement packages, reduced work hours, job rotation and salary cuts. Some companies used only one measure and others used a number of measures. Job rotation and reduced work hours were always used in conjunction with dismissals.
Regarding salary cuts, there were negotiations with the appropriate trade union entity where they agreed to the abolition of the collective industrial agreements and their replacement by enterprise agreements. After that a general 10% or 15% reduction was agreed.

Even though the HR managers would usually take the final decision with a line manager or a director, this made dismissals a very hard task for them. Depending on the sector they were working in, they would also have to take into consideration the trade unions, involve them in the process and handle the relations with them. The trade unions in the food manufacturing sector confirmed their reputation as one of the strongest in Greece as they have been very active, especially in situations where dismissals had to be done. The latter occasions led to strikes and tension and they all took place in Athens.

The HR managers viewed their own role within the downsizing process as crucial and driving. The biggest difficulties for the HR managers in this process were the consideration of the employees and organisational troubles. On one hand, they had to manage all the negative feelings that come with the downsizing and on the other hand they had to take care of problems that destabilise the work flow. Furthermore, they had to maintain the trust between themselves and the employees.

7.1. Implications
In a period of crisis and rapid change, the Greek HR managers did not react similarly in all levels; dismissals were used widely but when it comes to criteria they varied. In an environment with no specific legislation on the issue, they quickly chose what they thought is best for the company and proceeded with that decision. Not to say, however, that they completely disregarded the employee perspective. This paper confirms the crucial role of the HR manager in the downsizing process. Greek HR managers had a significant involvement in their respective cases. However, there is always space for reflection whether they could contribute more how they can improve their position in the future. Another important point for reflection is on how to decide the criteria for dismissals.

It is evident that in spite of the crisis the way for downsizing was not everywhere the same even though that was expected according the institutional theory. This implies a weakness of the said theory to explain the managerial behaviour in the case of Greece, especially on a micro-level just like McKinley, Zhao and Rust (2000) suggested.
7.2. Suggestions for future research

There are many ways in which future research could head to. Firstly, an option would be to study to what extent was the downsizing successful for those companies or for an even greater number of companies. Did they survive the crisis? Did they manage to reduce costs and increase productivity and effectiveness? Apart from that, it would be interesting to dig deeper in the relationship of the HR managers with the administration and how the latter perceived the formers’ input and contributions.

In addition, there can also be research from the employees' perspective. What was the effect on the employees' commitment? It would be interesting to research what kind of implications were there for the remaining employees -or “lay-off survivors” both on a personal and on a professional level.
8. References


9. Appendix

INTERVIEW GUIDELINE

- What is your current position?
- How many years have you been working here?
- Describe what has happened so far regarding the downsizing
- When was the decision about the downsizing taken and by whom?
- Which was –if any- the main goal?
- What was the HR’s involvement?
- When did the planning start?
- Who was involved in the planning? (only HR or line managers other managers too)
- How was the trade union involved?
- What steps did the process consist of?
- Description of the steps
- Name any difficulties that you had to face during the implementation
- What have you learned from this experience?
- How do you view the role of HR management in the process?