

Do Recessions Transform Work and Employment? Evidence from Ireland

Bill Roche UCD and Paul Teague Queen's University Belfast

Abstract

Ongoing debates about continuity and change in employment and work systems have many dimensions. One important discussion is what happens to work and employment during times of recession. Two contrasting views tend to dominate the literature on this topic. One view is that recessions amount to a 'critical conjuncture' for work and employment systems, a time when firms try radically to transform existing employment models. The alternative perspective is that firms, constrained mostly by the forces of path dependency, seek to adjust to the immediate or short-term pressures of the recession but otherwise maintain the established way of organizing the employment relationship. The purpose of this paper is to contribute to this literature by reporting the findings of a major study of the effects of the recession on work and employment in firms based in Ireland. The main finding to emerge from the study is that firms mostly have made improvised adaptations in response to the crisis and have shied away from far-reaching transformational strategies.

1. Introduction

Charting patterns of change and continuity is an evergreen in the study of work and employment. But this exercise takes on greater intensity when economic recessions arrive, largely because adverse business times are usually considered to be ‘critical junctures’ when established organizational routines, relationships and mentalities associated with an existing employment model are most at risk. Assessing the impact of a recession on work and employment has proven to be complex. Frequently studies of how a particular recession affects work and employment reach sharply contrasting conclusions. Some have argued that recession disrupts established employment models, others suggest that firms remain with tried-and-tested employment practices even in the face of intense market pressures, and still others put forward the view that a hybridization process is induced that leads to firms amalgamating old and new employment arrangements. Thus unravelling the impact of a recession on work and employment has clearly been a theoretical and methodological puzzle.

Nevertheless it is important to understand the extent to which firms stay with or move away from established employment models when business circumstances get tough as it provides important insights into how firms behave. Obtaining an accurate account of the impact of recessions on work and employment requires first and foremost a comprehensive, and in our opinion, multi-dimensional research strategy. We endeavoured to employ this approach to examine the effects of the current deep recession in Ireland on work and employment and the results of this research are reported in this paper. The findings seek to enrich our understanding of effects of recessions on change and continuity in employment systems, particularly the extent to which firms have felt compelled to use the recession to upend existing employment practices and relationships. The article begins by reviewing the relevant literature. It then presents an overview of the Irish recession and its effects on the labour market. The next section details the research strategy and methods employed to examine in

some detail work and employment arrangements introduced in response to the recession. Research results are next reported, drawing on a survey of employers, focus groups of HR managers to the fore in formulating firms' responses and on case studies of six firms widely regarded as instances of leading-edge, innovative and effective responses to recessionary pressures. A final section summarizes the results and considers their theoretical implications.

2. The Effects of Recessions on Work and Employment Practices

A fairly large literature exists on the effects of recessions on work and employment. A striking feature of these studies is how the same recession can be interpreted quite differently. Consider commentary on the 1980s US recession. One view, articulated by Cappelli, argued that a new 'market-driven' employment model was fired in the cauldron of this business downturn. This was seen as including the end of 'career jobs', an overall decline in job security and job tenure and a move towards more precarious forms of employment and working conditions (Cappelli 1999a and b; Cappelli et al. 1997). But this assessment was strongly criticized by others who suggested instead that while firms had shifted the burden of risk to their employees to a significantly greater degree, the majority of employees continued to hold career-type jobs that offered fringe benefits, training and good prospects (Jacoby 1999a and b). In other words, employers were by and large sticking with tried-and-tested employment practices.

A similar divergence of opinion occurred in the assessment of the UK recession of the 1980s and early 1990s. At the time, theories of labour markets and management processes commonly pointed to putative secular trends such as 'de-skilling', labour market segmentation, the advent of the 'flexible firm', the emergence of HRM, and the emergence of 'new realism' in industrial relations. These various developments were popularly seen as interacting with the recession to have profound and lasting effects on the conduct of

employment relations (Gallie et al. 1994: ch. 1). But more careful studies reached altogether more circumspect conclusions. In particular, authors associated with the important ‘Social Change and Economic Life Initiative’ (SCELI) research programme pointed more to continuities in employment relations models than to discontinuity. The study of employers’ strategies by the team, for example, concluded that there was little evidence of any systematic move away from established employment relationships (Gallie et al. 1994) . A similar message emerged in a further volume, entitled *Trade Unionism in Recession* where the view of a sharp change in employer attitudes to trade unions was found to have had little empirical basis (Gallie et al. 1996). This view was subsequently copper-fastened by detailed empirical research under taken by McGovern et al. (2007).

Contrasting interpretations of the impact of recessions on work and employment can be traced back to two main factors. First of all, views differ with regard to the propensity of recessions to trigger change amongst firms. One approach is that a recession represents an external negative shock on workplaces which obliges firms to make changes to established employment arrangements and organizational routines to remain viable (Chadwick et al 2004). An alternative perspective is that even in the face of adverse market conditions firms may be reluctant to change employment practices fearing that that retrenchment policies aimed at reducing costs in the short term could have a deleterious effect subsequently by damaging employee commitment as well as disrupting organizational routines that facilitate high performance (Cascio 2002). Thus, firms will be motivated, as far as possible, to remain with existing employment models. To use the language of path dependency, firms are to varying degrees locked-in to existing organizational arrangements as they prefer the stability and order that comes with preserving established ways of doing things (Pierson 2000) .

The second factor relates to the difficulty of interpreting the scale and nature of any employment change induced by a recession. For a start, assessing the interaction between a recession and long-run or secular trends operating on the management of the employment relationship is far from easy (see Steeck and Thelen 2005 and Jacoby 1997). But the problems do not end here. At the extreme, it may be straightforward enough to conclude that radical organizational transformation has occurred in the wake of a recession when established employment practices are displaced and new practices and structures to govern the workplace are diffused. But employment change of this scale is not the norm. Most of the time it is difficult to determine whether the employment restructuring that is occurring is transformational or incremental (Thelen 2009). Even when it can be concluded that the scale of employment change is incremental the additional problem immediately arises of interpreting the nature of such change (Mahoney and Thelen 2010). In particular, are incremental adjustments motivated to secure the robustness of an established employment model or do they have the effect of starting a process of change which cumulatively may have far reaching consequences for organizational arrangements?

These problems of interpretations have emerged in relation to impact of the current recession on employment and the management of people. It is possible to identify three different views of the consequences of the current recession for work and employment. The first view suggests that the recession will have a cataclysmic effect on the viability of long prevalent employment models. Some commentaries point towards evidence of the ‘psychological contract’ associated with the established employment model being ‘rocked to its foundations by the recession’ through job insecurity, less assured advancement, curbs on pay and the waning significance of employee engagement (Briner 2010). Also advanced has been the concept of a ‘new employment deal’ (strongly echoing Cappelli’s work on the 1980s US recession) emerging from the turbulence of the current international recession. Prominent

here is the work of the international consulting firm Towers Watson (2010), which conducted a global workforce study in 2010, involving 22,000 full-time employees in 22 of the firm's 'markets'. The study contends that the recession had accelerated slow-moving and long-term shifts in the employment relationship with the result that employment globally in mature economies is in the 'earliest stages of a significant workplace transformation' (Towers Watson 2010: 9, 21). The emerging new 'social contract', or new employment deal, is seen as leading to more 'personalized' work experiences and rewards, with employers increasingly segmenting their HRD and talent management effort to the roles of different employee groups (Towers Watson 2010: 14-15).

A second strand of commentary suggests that the recession is likely to lead to workplaces being reconfigured in a manner that deepens the appeal and prevalence of employment practices consistent with the high-commitment HRM model. This model, whose major features are well understood in the literature and need not be rehearsed here, has dominated professional discourse on the features of good and effective HRM for the past two decades. Prominent contributors to this second strand include a number of HR 'gurus'. David Ulrich (as reported in Brockett 2010) has claimed that 'HR leaders' were ensuring that firms were being positioned for the long-term by investment in skills and the creation of a positive organizational culture and brand. Ulrich's essential idea – though expressed in a highly abstract and general manner – appears to be that firms will intensify and extend the established paradigm of high-commitment management rather than regress in the recession to 'command and control' (see also Cooper 2009). A more empirically-based statement of the same essential thesis can be found in research on how leading US organizations have responded to the current recession (Mohrman and Worley 2009).

A third strand of commentary, which draws mainly on secondary sources, views changes in work and employment arrangements as pragmatic, eclectic and incremental in nature. Organizational responses to the recession are seen to be marked by significant continuities with pre-recession patterns and tend to involve complex and even contradictory sets of adjustment measures. A commentary by the UK-based Institute for Employment Studies (IES) notes that although the recession had tilted attention and effort towards areas such as managing redundancies, there was evidence that its effects were less dramatic than might at first have appeared. Firms had sought to preserve employment as a first priority, and often opportunistically sought out talent and recruited people who had lost their jobs (Brown and Reilly 2009: 2). Certainly in relation to European economies the predominant view, with one or two exceptions (see Zagelmayer 2010), is that the recession has not had a big disruptive impact on work and employment. In short, the third view evident in the literature points towards what might be referred to as ‘pragmatic eclecticism’, a term coined in a different context by Marino Regini (1995)¹, as the dominant response of firms.

Pragmatic eclecticism involves the use of multiple pay and headcount reductions in sets of measures or retrenchment programmes appropriate to different sets of commercial conditions. Employee engagement will be mainly concerned with ameliorating the effects of pay freezes or cuts and job losses on employees’ motivation and commitment. The underlying logic of work and employment strategy will be to maintain the status quo to the greatest degree possible in the circumstances in which firms find themselves. A point we would emphasize is that we see pragmatic eclecticism as less driven by strategic considerations than improvised adaptations. Resulting work and employment practices are likely to be as orthogonal to those associated with transformation: in the sense of being implemented with other concerns uppermost – in particular improvising workable responses to firms’ commercial conditions.

Table 1 summarizes the changes to work and employment practices during the recession that appear consistent with each of the perspectives discussed. For the most part, the table sets out hypothesized changes by referring back to the basic underlying principles of each associated model of work and employment as the literature on all three perspectives are sketchy on precise details of the specific changes believed to be underway. Thus the New Deal and high commitment HRM models are seen as promulgating adaptation measures that are programmatic or guided by sets of underlying principles whereas the pragmatic eclectic model is considered to give rise to short-run measures designed to respond to immediate commercial pressures.

[Table 1 here]

These stylised models, which are difficult to reconcile with one another, are strongly influencing commentary on the impact of the current recession on work and employment. But a striking feature of these accounts is the degree to which strong assessments are being made in the absence of extensive evidence. This is hardly a satisfactory situation. In this study, we have sought to avoid this pitfall by committing first and foremost to the collection of detailed, comprehensive evidence from multiple sources on how the recession has impacted on work and employment arrangements in firms in Ireland. *A priori*, we were not committed to any of the three alternative scenarios. Instead we adopted the position that any of the scenarios was possible and that an authoritative judgement about how firms have handled the recession and how they will be affected by it could only be reached after a careful analysis of the evidence.

3. Recession and the Irish Labour Market

Ireland was the poster child of international capitalism for much of the 1990s and the early 2000s when its economic and labour market performance were the envy of many developed

economies. The economic recession, which commenced in 2008 in the wake of the international financial crisis, is the most serious in Ireland's history as an independent country, and the Irish crisis is among the worst of all developed economies. Between 2007 and 2009 GDP collapsed by nearly 11 per cent, although 2010 brought a modicum of relief as the rate of contraction slowed to -0.4 per cent. The volume of retail sales, an indicator of consumer confidence, declined by nearly 17 per cent between 2008 and 2010. The incidence of company insolvencies rose by 80 per cent over the two years to 2010. Average earnings fell in the private sector and even more so in the public services, where unilateral pay cuts were imposed by the Government.

The collapse of Irish banks was warded off by the virtual nationalization of Ireland's financial system and through recapitalization by the taxpayer. In November 2010 Ireland resorted to an EU/European Central Bank/IMF rescue package, resulting in an austerity programme that has involved a deep squeeze in public spending coupled with tax increases. As bank debt became sovereign debt, Ireland's debt/GDP ratio exceeded 100 per cent in 2011 and continues to rise. One of the first casualties of the Irish crisis was the 'social partnership' model, which collapsed at the end of 2009. For twenty-two years employer associations, trade unions and governments had succeeded in negotiating recurrent social partnership programmes, which included agreements on phased pay increases and pledges by governments to make changes in a progressively widening array of areas of economic and social policy. In December 2009 social partnership collapsed as the Government and public service unions failed to find an accommodation on payroll savings; public service pay was unilaterally cut.

While the exporting sector of the economy, dominated by high-technology, foreign-owned multinationals has shown signs of revival, the domestic sector remains sluggish. Unemployment rose from 4.6 per cent in 2007 to 14.4 per cent in 2011 and net migration, running at -67,000 in 2007 changed to +34,500 in 2010. In response to the growing labour market crisis, the Irish Government implemented a programme of incentives to encourage employment retention in firms in the export sector. These were limited in scope and proved unattractive to employers. Job placement schemes have also been launched as well as a series of labour activation measures, designed to counter the rise in long-term unemployment. Otherwise the State has adopted a laissez-faire posture towards the labour market and favours the reform of wage setting for low-paid sectors of the economy, aimed at retaining and creating employment. Surveys show that employees hold a bleak view of Ireland's economic prospects (NCPP 2009).

The conduct of employment relations in Ireland has remained orderly in the face of these pressures and developments. After the collapse of social partnership pay determination and industrial relations underwent a process of orderly decentralization in the private and public sectors. In the private sector, employers and unions concluded a 'protocol' to guide firm-level pay bargaining. The protocol set down agreed principles of pay fixing, which included job retention and the preservation of competitiveness, and a procedure for conflict resolution. In the public service, an agreement was reached at sector level. Under the terms of the public service pay agreement no further pay cuts were to be introduced and no compulsory job losses would occur until the end of 2014, in return for union co-operation with a rolling programme of changes in work practices and acceptance of significant reductions in public service numbers. The level of industrial conflict has remained low in both sectors. Public

service pay cuts of on average 14 per cent have been made. In the private sector, average weekly earnings fell by 4.5 per cent between 2008 and 2011.

Given its severity, length and major impact on the labour market, the Irish recession provides an opportunity to examine the degree to which and the ways in which recessions may influence change in work and employment arrangements and this is the focus of the rest of the paper.

4. Research Strategy and Methods

The data reported in this paper was obtained from a study of the effects of the Irish recession on the conduct of human resource management in firms in the private and commercial state-owned sectors. The study was funded by the Labour Relations Commission (LRC). Data collection involved three methods. First a series of focus groups were conducted in different parts of the country involving 30 human resource managers. The HR managers were deliberately drawn from diverse backgrounds to provide as wide a range of recessionary experiences as possible and included people from large and small firms, from union and non-union companies, from foreign-owned MNCs and Irish-owned firms and from firms located in a series of manufacturing and service sectors. To select focus group participants a protocol document was drawn up outlining the variations by sector, firm size, ownership (Irish-owned versus foreign-owned) and status vis-a-vis unionization to be provided for in choosing participants. The choice of participating managers was then made in dialogue with officers in the LRC, expert HR and union advisors to the research study. Table 1 in Appendix 1 provides a summary of the features of the firms from which the HR managers were selected. Structured focus group discussions, moderated by the study's research team, covered managers' experiences of the recession and the ways in which they had sought to adapt the

conduct of HR management to respond to the effects of the recession. The focus group interviews were recorded and transcribed. The focus groups and the international literature guided the design of a survey of managers responsible for the conduct of HRM in firms.

The survey questionnaire covered the commercial and employment effects of the recession and included detailed questions on the work and employment practices that firms had adopted in the recession, including their relations (if any) with recognized trade unions. The sampling strategy was devised in conjunction with the Economic and Social Research Institute (ESRI). The survey was piloted and feedback on the questionnaire was obtained from pilot respondents; appropriate amendments were then made in light of the feedback obtained. Questionnaires were distributed by the research team and contained a cover message indicating the purpose of the study and informing respondents that the researchers wished to obtain the views of businesses, however seriously or otherwise they may have been affected by the recession. The sampling strategy involved the distribution of questionnaires to the manager responsible for human resources in all firms in the private and commercial state-owned sectors in the Irish Republic (excluding agriculture) employing 50 or more employees.² Questionnaires were distributed in two waves. The first mailing occurred during late Spring and Summer 2010. The survey was repeated for non-respondents in September 2011. All recommended measures to encourage response were undertaken: prior notice of the survey was given via professional publications, organizations and networks; the Chartered Institute of Personnel and Development and the Labour Relations Commission and their personnel assisted with the distribution and return of questionnaires; reminders were issued, and a survey fieldworker sought to make contact with firms to encourage the return of questionnaires (Baruch and Holtom 2008). The survey yielded 444 useable responses, representing a response rate of 17.2 per cent. This is satisfactory, especially considering the

deep and persisting commercial pressures affecting many firms at the time of the survey, and is in line with both Irish and international experience with surveys of businesses. Standard tests for non-response bias suggested that the pattern of non-response was random.³ The survey data were re-weighted to represent the population of firms of 50 or more employees in the sectors surveyed.⁴

The final data source comprised detailed case studies of firms deemed by specialist HR/IR commentators and practitioners to have undertaken innovative measures in response to the pressures of the recession. Our concern here was to examine cases that stood out from the rest in terms of levels of innovation triggered by recessionary conditions, with a view to understanding the nature of such innovation and what it might reveal with respect to the direction of the changes introduced. A list of 20 potential cases was constructed from multiple sources, including newspapers and knowledgeable professionals in the field. Although the list cannot claim to be complete or definitive, we sought to ensure as far as possible to identify potentially iconoclastic firms. At the same time, the list developed might be biased towards larger firms, publicly-owned firms and firms recognizing unions, as such firms and their activities are more likely to come to professional and public attention.

As the list contained diverse cases, we stratified these in terms of the types of recessionary pressures to which firms were attempting to respond, as evidenced by reportage on the cases and by information provided to us by professionals in the field. This strategy provided 4 groupings or ‘clusters’ of cases, each of which appeared to have broadly common experiences of responding to similar recessionary pressures. The first cluster, comprising the largest number of cases, involved firms that had introduced various measures to control or reduce pay-bill costs, avowedly to retain the maximum number of jobs. The second cluster

involved cases where firms (sometimes with the consent of their unions) had sought to introduce measures in the context of declared or effective survival plans. The third cluster involved instances where the subsidiaries of foreign-owned multinationals sought to renew their mandates within parent firms and needed to adjust to recessionary conditions to achieve this outcome. The fourth cluster involved leading multinationals in the process of global restructuring that had become linked in one way or other to the recession. These firms were also often known for implementing classical high-commitment work and employment practices.⁵ Cases were selected for study from these clusters on the grounds that they seemed in broad terms typical of firms in these clusters and with a view to achieving a wide measure of variation by sector, scale and ownership. We do not claim that the clusters are distinctive or mutually exclusive in all respects and in some specific ways they overlap (e.g. firms implementing survival plans reducing payroll costs avowedly to maximize job retention). But this method of selecting cases seemed to us best geared to covering the widest variety of recessionary pressures and firms' responses to these. Six targeted cases agreed to participate and consented to their proper names being used in research reports. These were the financial services firm, Irish Life & Permanent, the estate-agents, Sherry FitzGerald, the commercial state-owned company responsible for operating the main Irish airports, the Dublin Airport Authority, the leading Irish retailer, Superquinn, the US healthcare devices manufacturer, Medtronic, and the global ICT firm, Ericsson. Interviews were held with senior HR managers and in some instances general managers and with union representatives and officials. All interviews were recorded and transcribed and the data thus generated was combined with information and reportage in the public domain and with internal documents, to provide the empirical base for profiling how these firms and their unions sought to respond to the pressures associated with the recession.

The data sources used are complementary and provide access to different facets of firms' approaches to changing work and employment practices in the recession. The survey provides a profile of the work and employment practices adopted in response to the recession and allows for an assessment of whether these appear consistent with any incipient shift to a marketized model or a high-commitment model. The focus groups of HR managers allow access to the thinking and priorities of senior managers centrally involved in coping with the effects of the recession. The case studies provide evidence of the nature and direction of change in leading-edge or innovative firms affected by the recession. By triangulating between the sources and methods we seek to arrive at a convergent picture of the effects of the recession on the actions of firms.

5. Research Results

In this section we begin by presenting the key results of the employers' survey. We next discuss data obtained from the HR focus groups on the manner in which changes to work and employment practices were introduced. We also consider managers' understanding of 'good' and effective work and employment practices in recessionary circumstances. Finally, we present data from the case studies which reveal the nature of the responses evident in firms widely viewed as leading the field and worthy of emulation in terms of their capacity to innovate in recessionary conditions.

Pragmatic Eclecticism and Firms' Work and Employment Practices in the Recession

In this section we examine the combinations of work and employment practices instituted by employers in response to the recession, as revealed by the survey data. Our focus is on whether combinations consistent with the transformation perspective, in either of its two variants, are evident in the actions of firms, or whether the response patterns identified are of

a different character and suggest a different underlying orientation. A large series of work and employment practices (46 in all) were presented to firms in the survey and they were asked to indicate those they had adopted to respond to the commercial pressures brought on by the recession. These practices span the main areas at issue in commentaries by proponents of the different views as to the effects of the recession discussed above. Latent class modelling was deployed to identify any patterns there may be in the combinations of work and employment practices adopted by firms. Latent class modelling is a model-based version of cluster analysis, and allows models with different numbers and profiles of clusters to be compared on the basis of measures of model fit or adequacy.⁶ Given the large number of variables on which data were collected, even after some of these were combined to simplify the analysis, exploratory latent class analysis was conducted by estimating models with many different sets of work and employment practices and numbers of clusters, taking account of model fit statistics and whether each of the specific work and employment practices included discriminated between clusters.⁷ The results for the best fitting model are presented in Table 2. They reveal that firms' responses to the recession clustered around two broad and equally prevalent patterns, and neither of these seems consistent with the transformation thesis. The first pattern involves what are described as generalized retrenchment programmes, combining a series of measures to cut or freeze pay and reduce headcount and working time. The second involves retrenchment programmes focused in the main on pay freezes, allied often to reduced overtime working. While some practices are used in both types of programmes and hence some overlap occurs in the profiles of firms' responses, the incidence of a number of practices (as denoted in the Table by their predicted probabilities) varies across the programmes identified. It is also apparent that communications, focused on informing employees of the 'demands of the business' and the use of specific engagement measures are equally prominent in both patterns of responses.

The sets of work and employment practices revealed in the latent class models sit uneasily with the predictions of the transformation thesis, appearing at once narrower, or less systematic, and also more eclectic than contemplated by either variant of transformation. Neither of the latent classes appears consistent with moves towards a new employment deal or towards a high-commitment HR model. In one of the patterns revealed extensive cuts in pay are not complemented by reductions in pay for new staff or by changes in pension arrangements. They are however combined with measures to retain or promote employee engagement. In the other pattern, the burden of pay bill adjustment is confined in the main to pay freezes; again firms seek to combine this measure with communications and engagement. Overall the patterns of responses suggest to us, less a concern by firms to use the recession to promote programmatic or systematic and complementary changes in work and employment practices of the kinds contemplated by the transformation thesis, than a more immediate and pressing concern to implement improvised and eclectic sets of measures to respond to acute and differing sets of commercial pressures. It bears noting in this regard that practices like greater use of part-time, contract and agency employment – commonly associated with the idea of a new employment deal - fail to fit within either of the patterns identified, and the same holds for employment stabilization practices (in-sourcing, reducing part-time and contract staff and redeploying staff within organizations) and the maintenance of investment in HRD, commonly associated with the high-commitment model. Nor do these practices emerge, either in discrete sets or in association with other work and employment practices, in latent class models fitting successively higher numbers of clusters to the survey data.

[Table 2 here]

The impression that firms' responses have been dominated by pragmatic and eclectic sets of work and employment practices is reinforced when latent class models are estimated for union-related voice practices in firms recognizing unions. Two clusters of groups of unionized firms are again identified. As revealed in Table 3 both groups claim - albeit to varying degrees - to have actively engaged with unions in developing work and employment options for responding to the recession. Only a modest number of firms (24 per cent) extend this principle to the provision of greater access by unions to financial information. While this cluster or grouping might thus be portrayed as an 'active engagement group', few firms in this group have conceded complementary changes that accorded unions a direct institutional stake in their efforts to adapt to the recession. The largest group of unionized firms (76 per cent) have opted for 'limited engagement', claiming to have engaged with unions in responding to the recession, but according few concessions in any of the union voice-related areas examined. Again these results appear inconsistent with either of the directions of programmatic change associated with either transformation thesis: firms seeking systematically to curtail engagement with unions in the recession, or alternatively seeking systematically to extend engagement. What unionized firms seem to have been doing is engaging with unions probably on pragmatic grounds while making few systematic and complementary changes in voice practices.

[Table 3 here]

In summary, the latent class results for firms' overall responses to the recession and for voice practices in unionized firms suggest to us patterns of response dominated by confined and eclectic rather than systematic or strategically-oriented changes to work and employment practices. To see to what degree the inferences made on the basis of the survey data are

supported by other data sources, the next two sections examine the focus groups and case study results.

The Tyranny of the Short-Term: The Work of Human Resource Managers in the Recession

What we have described as pragmatic eclecticism dovetails with reports by HR managers on the short-term focus of many of the activities they had undertaken during the recession. The 30 HR managers who participated in the focus groups outlined how changes in work and employment practices focused in achieving payroll cost savings were often introduced in successive waves of retrenchment activity. These might have begun with pay freezes or cuts and were then broadened out to encompass voluntary or compulsory redundancies as conditions worsened. A pervasive theme in the focus group discussions concerned the growing influence gained by HR managers as firms became more dependent on their specialist knowledge and expertise to stabilize businesses and even struggle for their survival. But in what way had this new found influence been used?

A consistent theme that emerged in the focus groups was that managerial efforts to assist firms through the recession have focused primarily on short-term, day-to-day measures aimed at cost cutting, while maintaining staff morale to the greatest degree possible. One manager's comment illustrates the urgency informing the changes made:

If we look at previous recessions there wasn't the same emphasis on headcount reduction. Organizations cut the training budgets, counted the paper clips, did all the issues but largely issues that were 'non-people'. The difference with this recession, because of the intensity and pace of it, [was that] the only way we were going to be able to achieve the reductions and to

meet the cost cutting that was necessary was to go straight into headcount reduction.

In one multinational firm, the imposition of a corporate pay freeze necessitated that the local subsidiary rescind a pay rise negotiated with the union. Management understood that this single move was important in sustaining the subsidiary's mandate:

That was a very key discussion ... in terms of decisions around future investment and transferring products to [the Irish plant] - the outcome of that decision and how the vote went. What we knew at the time was [that it was] going to be absolutely critical... So it was key for the longevity in future investments in the site that we were able to do that.

Few other significant changes were pressed either corporately or locally in this case. References to employee engagement in the focus groups sometimes emphasized how neglecting to have regard for the motivation and commitment of employees might result in people otherwise 'remembering how they've been treated over the past eighteen months or so'. Another comment illustrated how engagement might be considered as a largely ameliorative measure:

I think for us particularly the psychological contract between the employer and employee has fundamentally moved in that people no longer see us to be the once great employer of choice in that we are as prone to making commercial decisions as any other organization and culturally that is a seismic shift for an organization like ours. Now that puts a huge challenge on people like myself to try to re-engage the workforce

The managers considered themselves to the fore in providing professional guidance on introducing pay cuts and freezes, changing working time arrangements, revising pension schemes, reducing headcount etc. and also handling communications and other measures aimed at preserving morale. In effect, the greater part of HR effort and activity since the onset

of the recession has been concerned with ‘working the pumps’ in order often to keep businesses afloat. Considerations of a more strategic or programmatic character, such as (re)aligning work and employment practices to support medium-term recovery or competitive strategy, seemed remote for most and appeared to receive relatively little attention. The hands-on role of HR managers often extended to supporting or ‘hand holding’ line managers unaccustomed to the kinds of measures being implemented and sometimes prone to actions that exposed firms to legal or reputational damage. Allied to these concerns, were efforts to prevent line managers from opportunistically exploiting severance programmes as ways of handling under-performance and advising and counselling people in the wake of retrenchment programmes.

It is also instructive to examine the principles that guided managers in developing and implementing response measures. What was striking in the focus group discussions was the degree to which long-established principles or guiding visions of ‘good’ HRM and industrial relations continued to anchor professionals’ sense of what firms should attempt to do in introducing changes to work and employment arrangements. The picture emerging here seemed to be one of *plus ça change*. Principles like having regard to fairness, operating in a consistent manner, continuing to engage with unions, disclosing accurate information in a timely manner etc., were commonly endorsed by the managers as critically important in coping with the pressures of recession. The view was also strongly articulated that protracted negotiations with unions were no longer viable and that negotiating cycles needed to be accelerated up in response to external turbulence and uncertainty:

We just didn’t have enough time’ to proceed as before, and when it came to changes involving ‘money issues’ this caused friction with the unions. Unions found it difficult. They couldn’t understand why we

had to go at the pace we had ... That created a bit of an issue between ourselves and the unions, to be frank.

Overall, however, no sense emerged that long-established principles and practices might require radical revision. When this view was presented directly to the managers, they found practically inconceivable that this could be the case.

In summary, while HR managers had gained considerable leverage as firms became more dependent on their professional knowledge and expertise, most were preoccupied with handling day-to-day retrenchment measures and associated efforts to preserve morale. Little activity aimed at redesigning the basic architecture of work and employment for medium- to long-term application was apparent. Nor was there any evidence of any professional crisis of confidence or belief in received principles and practices of good human resource management or industrial relations. No new templates or models, whether explicit or implicit, appeared to have guided their efforts at 'working the pumps' or responding to the tyranny of the short-term.

Maintaining Work and Employment Arrangements: Experiences of Leading-Edge Firms

Thus far in the paper we have analyzed practices and attitudes as revealed in the survey and focus groups. In this section, attention shifts to the activities of firms widely regarded by peers, union officials and commentators as in the vanguard of innovative and effective practice in response to the recession. The focus is on whether any compelling evidence can be found of incipient or ongoing shift in work and employment arrangements along the lines of those associated with the transformation thesis in either of its variants.

Table 2 in Appendix 2 summarizes the main features of the 6 case firms examined in detail in the research. Irish Life and Permanent (IL&P), Sherry Fitzgerald, the Dublin Airport Authority (DAA) and Superquinn are Irish-owned firms, whose operations are confined in the main to Ireland. Medtronic and Ericsson are foreign-owned multinationals. All case firms were affected by the Irish and/or international recession, albeit to various degrees and - consistent with the case study design strategy - in different ways. In a number of cases, the pressures of the recession spurred innovations in pay-fixing and collective bargaining, as well as other aspects of work and employment. In the estate agents, Sherry FitzGerald, and in the DAA, pay reductions were graduated to concentrate the burden of payroll adjustment on the more highly paid. In the financial services firm, IL&P, staff were presented with a series of options that included incentivized career breaks as part of an attempt to avoid and then to minimize redundancies. Bargaining arrangements were also altered and a new conflict resolution mechanism (involving an independent mediator) was instituted.

In the DAA, management and unions agreed a formula to restore pay levels once specified business targets were achieved and provision was also made for financial participation when the firm was restored to profitability. A new dispute resolution mechanism was also instituted to expedite the handling of disputes and resolve more of these within the confines of the company. Management and unions in the supermarket chain, Superquinn, agreed changes in working-time arrangements and employment contracts that provided the firm with added flexibility to adjust to peaks and troughs in the business, while providing staff with more predictable work schedules. Multi-level partnership structures were also introduced. The IL&P, the DAA and Superquinn accorded unions, or their financial advisors, unprecedented levels of access to financial and commercial information. Management and unions at the Irish subsidiary of the US healthcare devices manufacturer, Medtronic, linked a freeze on pay

with the transposition of temporary into permanent employment contracts. Both parties in Medtronic's Irish plant were mindful that a capacity to adapt to the recession as well as local competitiveness would be a significant factor in the subsidiary's bid to retain and renew its mandate within the parent multinational.

What is striking about these and other innovations and the underlying strategies they reflect is that they can neither be described as path-changing or path-accelerating in character. The changes introduced and the accommodation reached in general reflected the continuing influence of pre-existing work and employment practices and arrangements and attempts to maintain these in the face of often severe commercial setbacks. The firms examined in the main sought to remain on course and preserve pre-existing work and employment arrangements rather than initiating any radical disjuncture in these. Firms involved in some pay-fixing innovations sometimes explicitly saw these as instrumental in preserving the existing organizational culture (Sherry FitzGerald). Several firms were content to reach accommodation with unions through established arms-length, adversarial bargaining routines (the DAA and IL&P). The introduction of partnership in Superquinn did represent a move beyond arms-length management-union relations. But the move in this direction was built on a tradition of paternalist employment relations that had existed under the firm's previous owner, and, moreover, the decision to opt for partnership also reflected the firm's concern to comply with the Employees (Provision of Information and Consultation) Act, 2006.

In some instances, for example Sherry FitzGerald and IL&P, plans strategically to reconfigure the HR function, or work and employment practices in general, had been set aside as the firms concerned struggled to deal with the immediate effects of the recession. Ostensibly providing strongest support for the transformation thesis was the DAA's deal with

its unions on the operation of the new second terminal (T2) at Dublin airport. Working conditions at T2 included a new grading structure, more flexible working practices and lower pay rates than those in existence in the established Terminal 1. There have been indications that management intend trying to reverse engineer T2's working practices back into work and employment arrangements in the older terminal. However the main trigger of the T2 agreement was less the recession than the manner in which the contract to operate the new terminal was awarded. In order to win the tender to operate T2, the DAA and its unions were required to satisfy the Aviation Regulator that costs, including labour costs, met stipulated parameters. These included the injunction that rates of pay should be comparable to down-town rates in retailing and other operations similar to those undertaken at the airport. The more strategically-oriented firms among the case studies, where attempts to institute long-term, sustainable work and employment arrangements were more to the fore, tended to be the multinationals least severely affected by the Irish recession, Medtronic and Ericsson. These firms traded in the ICT and healthcare devices sectors, where business conditions remained relatively buoyant. Even in these cases, the main concern was with remaining on course rather than using the recession to leverage radical changes in work and employment practices.

Conclusions and Discussion

Before discussing the implications of these findings some of the strengths of the study can also be underlined and some limitations should be acknowledged. As regards its principal strength, this study, to the best of our knowledge, remains unique in drawing on systematic and detailed quantitative and qualitative data drawn from a series of sources, allowing us to 'triangulate' between these sources to investigate the effects of the recession on work and employment arrangements. The evidence presented is consistent or convergent across these different sources. Although not longitudinal in nature, the data collected yet provide more

than a simple snap-shot of firms' activities at a single point in time. Survey respondents were asked to profile their responses since the onset of the recession to the summer or autumn of 2010 (representing a period of 2 years or more for most); focus group participants were also asked to discuss their experiences from the onset of the recession and the case studies allowed for an examination of work and employment arrangements prior to the onset of the recession and how firms' and unions' responses evolved during the recession. The study's main shortcoming arises from its primary reliance on employers' and managers' experiences and accounts of the changes made during the recession, although the views of union officials and representatives informed our analysis of the case studies. We are also mindful that employment restructuring is relatively open-ended and can ebb and flow due both to learning and to the impact of unintended consequences. As a result, it remains possible that the kinds of changes identified in the study might with time congeal into a new pattern or system of work and employment, but this seems highly unlikely in the light of the results reported.

The research results reported in the paper seem clear and consistent: employers have responded to the recession by making what appear to be essentially improvised adaptations. The change programmes identified appear largely orthogonal to the programmatic sets of changes associated with the transformation thesis in either of its variants. The focus of employers is squarely on dealing with the immediate effects of the recession; what the future may hold and how work and employment practices can be (re) configured to support businesses over the medium-term or beyond appear rather academic issues for most. In navigating through the turbulent waters of deep recession, employers and their specialist HR managers are satisfied to use long-established charts. The firms that have most impressed commentators and professionals because they are seen to have occupied the leading-edge in introducing innovative and effective work and employment practices have been concerned

for the most part to maintain course and retain pre-recession work and employment arrangements. The case-study firms that might be considered most strategic or most focused on the medium-term are those that have been least affected by the recession and here too the main focus has been with on staying on course.

With respect to the ways in which scholars have sought to understand change in work and employment systems, the study contributes interesting findings with regard to the scale, direction and mode of employment change. The conclusions of the study chime with the third perspective in the literature regarding the effects of the recession on work and employment arrangements: the recession has not and seems unlikely to shift the centre of gravity in work and employment practices, but has resulted in employers seeking pragmatically to deploy sets of practices, often involving internal tensions and contradictions (for example between cost-cutting and engagement), frequently directly geared to handling the immediate effects of the recession and commonly characterized by strong elements of continuity with past practice. There is little evidence of firms seeking to use the recession to introduce radical change to move decisively towards some type of marketized or 'new deal employment' model or to a high commitment HR model for that matter. In Ireland, at least, the economic downturn, dramatic and abiding though it has been, did not trigger any kind of radical disjuncture

For the most part, the practices we found firms to be following were very much defensive. Small scale changes were being pursued, but the intent was mostly to ensure the survival of existing work and employment model arrangements. All in all, the scale, direction and mode of change triggered by the recession are likely to result in the Irish employment system staying more or less the same.

As regards the wider import of the Irish case, the following remarks seem pertinent. Ireland is commonly categorized as among the ‘liberal market economies’ (LMEs), with a tradition of wage co-ordination under social partnership – now at an end - that rendered the Irish case somewhat ‘anomalous’ (Hall and Soskice 2001; Kenworthy 2009). It seems therefore likely that that kind of pragmatic eclecticism evident in the Irish case may resonate with developments more generally in LMEs affected by the current recession. Whether more co-ordinated market economies (CMEs) have adopted more programmatic responses, and if so what the character of these may have been, remain moot points. Judging by the secondary reviews and limited primary studies available to date this seems doubtful. Some studies suggest that institutional rules on short-time working have encouraged firms in CMEs to retain employees to a greater extent than firms in LMEs (Bosch 2009). But in terms of company-level restructuring, there appears to little evidence to suggest that employers are neither following ‘high road’ trade-union friendly strategies nor moving to break up established employment relations models (Hyman 2010). What does emerge clearly from this study and contributes to the literature on the effects of recessions is that not every ‘critical conjuncture’ leads to transformational change.

References

- Armstrong, S.J. and Overton, T.S. (1977), 'Estimating Nonresponse Bias in Surveys', *Journal of Marketing Research*, 14: 396-402.
- Baruch, Y and Holtom, C. (2008), 'Survey Response Rate Levels and Trends in Organizational Research', *Human Relations*, 61(8): 1139-60.
- Briner, R. (2010), 'Deal Breakers', *People Management*, 29th July 2010.
- Bosch G., (2009), Working Time and Working Time Policy in Germany, Paper Prepared for the 2009 Conference JILPT International Workshop Tokyo
- Brockett, J. (2010), 'See HR as a Professional Services Firm, Says Ulrich', *People Management*, 25 March.
- Brown, D. and Reilly, P. (2009), 'HR in Recession: What are the Prospects and Priorities for HR Management in 2009', London: Institute for Employment Studies.
- Cappelli, P. (1999a), *The New Deal at Work: managing the market-Driven Workforce*, Boston MA: Harvard Business School Press.
- Cappelli, P. (1999b), 'Career Jobs are Dead' *California Management Review*, 42: 146-66.
- Cappelli, P., Bossi, L., Katz, H., Knocke, P., Osterman, P. and Useem, M. (1997), *Change at Work*, New York: Oxford University Press.
- Cascio W. (2002) Strategies for responsible restructuring, *Academy of Management Executive* 16: 80-91.
- Chadwick, C., Hunter, L., and Walston, S. (2004), Effects of Downsizing Practices on the Performance of Hospitals, *Strategic Management Journal*, 25: 405-427
- Hall, P. and Soskice, D. eds. (2001), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford: Oxford University Press.
- Hyman, R., (2010), Social dialogue and industrial relations during the economic crisis: Innovative practices or business as usual? Industrial and Employment Relations Dept, ILO-Working Paper 11.
- Jacoby, S. (1997), *Modern Manors: Welfare Capitalism Since the New Deal*, New Jersey: Princeton University Press.
- Jacoby, S. (1999a), 'Are Career Jobs headed for Extinction?' *California Management Review*, 42: 123-45.
- Jacoby, S. (1999b), 'Reply: Premature Reports of Demise', *California Management Review*, 42: 168-79.

Kenworthy, L. (2009), 'Institutional Coherence and Macro-Economic Performance', in Hancke, B. ed., *Debating Varieties of Capitalism*, Oxford: Oxford University Press, pp. 180-99.

McGovern, P., Hill, S., Mills, C. and White, M. (eds), (2007), *Market, Class and Employment*, Oxford: Oxford University Press.

Mahoney, J. and Thelen, K., (2010), A Theory of Gradual Institutional Change, in J. Mahoney and K. Thelen (eds.), *Explaining Institutional Change: Ambiguity, Agency and Power*, New York, Cambridge University Press

Mohrman, S. and Worley, C.G. (2009), 'Dealing with Rough Times: A Capabilities Development Approach to Surviving and Thriving', *Human Resource Management*, 48(3): 433-45.

Pierson, P., (2000), Increasing returns, path dependence and the study of politics, *American Political Science Review*, 94(2): 251-68

Regini, M. (1995), *Uncertain Boundaries: The Social and Political Construction of European Economies*, Cambridge: Cambridge University Press.

Steeck W. and Thelen K. (2005), Introduction, in Streeck W. and Thelen K. (eds.) *Beyond Continuity: Institutional Change in Advanced Political Economies* Oxford: Oxford University Press

Thelen, K., (2009), Institutional Change in Advanced Political Economies, *British Journal of Industrial Relations*, Vol 47, 3: 471-498

Towers Watson (2010), *The New Employment Deal: How Far, How Fast and How Enduring?* New York: Towers Watson.

Zayelmayer, S., (2010), Company-Level Employment Relations during the Global Financial Crisis: Five Illustrative Cases from Germany, Paper to the Industrial Relations in Europe Conference, Oslo, Norway

Table 1 Changing Work and Employment Practices in the Recession

	<i>Transformation of Work and Employment Practices</i>		<i>Improvised Adaptation</i>
	<i>New Employment Deal Response</i>	<i>High-Commitment Model Response</i>	<i>Pragmatic Eclecticism</i>
<i>Employee voice practices:</i>	little priority accorded to employee engagement or union involvement	high priority accorded to employee engagement and union involvement	engagement measures adopted to ameliorate measures to control or reduce payroll costs
<i>Rewards practices:</i>	extensive revisions to pay & changes to pension arrangements	earnings stabilization or earnings reduced to support employment stabilization measures	pay levels adjusted to commercial conditions through various measures
<i>Employment & Career practices:</i>	demand-driven headcount changes, increased use of contingent employment & reduced overall investment in HRD	employment stabilization & maintenance of investment in HRD	multiple and various sets of measures to adjust headcount to commercial conditions
<i>Work and Employment Strategy:</i>	change pace or direction to foster new employment deal model	change pace or direction to foster high commitment model	maintain work and employment arrangements

Table 2: Work and Employment Practices Adopted by Firms in the Recession

	<i>General Retrenchment Programmes</i>	<i>Pay Freeze- Focused Programmes</i>	<i>Wald Statistics</i>
	<i>Predicted probabilities</i>		
Cluster Size	0.4914	0.5086	
<i>HR Practices Adopted:</i>			
Cut wages and salaries for some or all staff	0.8870	0.0852	24.92***
Froze wages and salaries for some or all staff	0.5522	0.9072	35.60***
Introduced lower pay/pay scales for new staff	0.2924	0.1479	23.24***
Introduced voluntary and/or compulsory redundancy	0.7703	0.4744	22.87***
Reduced overtime	0.7578	0.5590	8.99***
Introduced short-time working	0.6347	0.2294	11.15***
Changed pension arrangements for existing or new staff	0.3818	0.1929	32.90***
Communicating the demands of the business to staff has gained greater importance	0.89237	0.8953	0.01
Specific employee engagement measures introduced and/or employees actively involved in developing options for responding to the recession	0.7552	0.7201	0.45

Model fit statistics for 2 cluster model: $L^2 = 392.77$; p that indicators are statistically independent > 0.05 . Unweighted survey data (n= 434) used for latent class modelling.

*** Differences in parameter values across clusters significant at the 0.01 level.

Table 3: Firms' Dealings with Trade Unions: Latent Classes

	<i>Active Engagement Firms</i>	<i>Limited Engagement Firms</i>	<i>Wald Statistics</i>
	<i>Predicted probabilities</i>		
Cluster Size	0.2361	0.7639	
<i>Union Voice-Related Practices Adopted:</i>			
The firms has actively engaged with unions in developing HR options with which to respond to the recession	0.9273	0.5500	6.18***
Unions have secured agreement on financial 'claw-backs' for their members when business conditions improve	0.2706	0.0093	6.34***
By agreeing measures for responding to the recession, unions have gained greater access to the businesses' financial information	0.6101	0.0516	11.58***
By agreeing measures for responding to the recession, unions have gained support for organising or representing members in the business	0.3844	0.0129	6.18***
<i>Retrenchment programmes adopted:</i>			
General HR retrenchment programmes	0.4488	0.4422	0.00
Pay-freeze focused retrenchment programmes	0.5515	0.4422	0.00

Model fit statistics for 2 cluster model: $L^2 = 13.58$; p that indicators are statistically independent > 0.05 . Unweighted survey data (n= 169) used for latent class modelling.

*** Differences in parameter values across clusters significant at the 0.01 level.

Appendix 1 Table 1 Detailed Background Features of Participants in Human Resource Managers' Focus Groups

<i>Firm</i>	<i>Manufacturing</i>	<i>Services</i>	<i>Irish- Owned</i>	<i>Foreign- owned Multinatio nals</i>	<i>Union(s) Recognized</i>	<i>Non- Union</i>
Financial services 1		X		X		X
Software 1		X		X	X	
Professional services 1		X		X		X
Financial services 2		X	X		X	
Financial services 3		X	X		X	
Manufacturing 1	X			X		X
Retailing 1		X		X	X	
Utility 1		X	X		X	
Manufacturing 2	X			X	X	
ICT 1		X		X	X	
Hospitality		X	X			X
Manufacturing 3	X			X	X	
Manufacturing 4	X		X		X	
Manufacturing 5	X			X	X	
Manufacturing 6	X			X	X	
Manufacturing 7	X			X	X	
Manufacturing 8	X			X	X	
Retailing 2		X	X		X	
Distribution 1		X	X		X	
Leisure 1		X	X			X
Newspaper 1		X	X		X	
Retailing 3		X	X		X	
Hospital 1		X	X		X	

Appendix Table 2 Detailed Background Features of Participants in Human Resource Managers' Focus Groups

<i>Firm</i>	<i>Manufacturing</i>	<i>Services</i>	<i>Irish-Owned</i>	<i>Foreign-owned Multinationals</i>	<i>Union(s) Recognized</i>	<i>Non-Union</i>
Financial services 1		X		X		X
Software 1		X		X	X	
Professional services 1		X		X		X
Financial services 2		X	X		X	
Financial services 3		X	X		X	
Manufacturing 1	X			X		X
Retailing 1		X		X	X	
Utility 1		X	X		X	
Manufacturing 2	X			X	X	
ICT 1		X		X	X	
Hospitality		X	X			X
Manufacturing 3	X			X	X	
Manufacturing 4	X		X		X	
Manufacturing 5	X			X	X	
Manufacturing 6	X			X	X	
Manufacturing 7	X			X	X	
Manufacturing 8	X			X	X	
Retailing 2		X	X		X	
Distribution 1		X	X		X	
Leisure 1		X	X			X
Newspaper 1		X	X		X	
Retailing 3		X	X		X	
Hospital 1		X	X		X	

Estate Agent 1	X	X			X
Distributor 1	X	X		X	
Professional services 2	X		X		X
ICT 2	X		X		X
Software 2	X		X		X
Professional services 3	X		X		X
Services 1	X	X			X

Appendix 2 Table 1: Case Study Firms: Features, Recessional Pressures and Work and Employment Response Programmes

<i>Particulars of Firms</i>	<i>Recessional Pressures</i>	<i>Changes to Work & Employment</i>
<p>Irish Life & Permanent</p> <p>Financial services firm originally employed 5,000 people, organized by UNITE, Mandate, SIPTU</p> <p>(Cluster: payroll cost reduction)</p>	<p>The financial services sector was severely affected by the credit crunch and the exposure of Ireland's banks to residential and commercial property lending. Though not seriously exposed to property loans, the financial crisis led to a sharp fall in the firm's profits and to progressively worsening trading conditions.</p>	<p>Initial ban on recruitment and incentivized career-breaks used to reduce headcount. Access accorded to financial information. Modest pay rises, coupled with freeze on increments and bonuses agreed with unions. Single-bargaining unit introduced across life and banking businesses. New conflict resolution mechanism deployed. Later a voluntary severance scheme agreed. Plan to restructure the HR function set aside.</p>
<p>Sherry FitzGerald</p> <p>Estate agent, originally employed 315 people in its Irish operations. No unions recognized.</p> <p>(Cluster; payroll cost reduction)</p>	<p>The Irish property market slumped, the volume of residential property transactions falling by 40 per cent; their capital value by 50 per cent and new house sales by 70 per cent. As a leading firm committed to high value and expertise-based trading, the collapse of the property market impacts severely on its business.</p>	<p>Employment protection initially identified as major priority. Salary cuts implemented in two rounds, with higher cuts at the upper end of the pay system and lower-paid staff initially excluded from cuts. Reduced work weeks and career-breaks offered to staff. As trading conditions worsened, compulsory redundancies introduced. Intensive communications used throughout response programme. A pre-recession strategic review of HR in the firm needed to be shelved to permit attention to be devoted to managing the impact of the recession on the business.</p>

<p>Dublin Airport Authority</p> <p>State-owned Airports Authority responsible for operation of the main Irish airports at Dublin, Cork and Shannon. Originally employed 3,000 people, organized by SIPTU, Mandate, UNITE, IMPACT and the TEEU.</p> <p>(Cluster: payroll cost reduction)</p>	<p>Business conditions improved and then worsened considerably as passenger traffic through the airports declined sharply. Profits fell by over 50 per cent at a time when the DAA had borrowed heavily to construct a new terminal (T2) at Dublin Airport. The operation of the new T2 at Dublin airport was to be made subject to commercial tender and operating costs were understood to be an important determinant of success in the competition for the contract to operate T2.</p>	<p>A Cost Recovery Programme launched, that included 400 job losses through voluntary redundancy, pay freezes and changes to overtime and premium payments. As commercial conditions worsened, higher payroll savings sought in negotiations with unions. Unions' financial adviser accorded access to financial information. The parties agreed an Employee Recovery Investment Contribution (ERIC), which involved tiered pay cuts, of increasing scale at higher salary levels, instituted the creation of a financial participation scheme, and agreed changes in working practices and a new conflict resolution mechanism. Under the ERIC pay levels are to be restored when agreed business targets are attained. An agreement on the operation of T2, which involves a new grading structure, work practices and revised pay scales assists the firm to gain the contract to operate T2.</p>
<p>Superquinn</p> <p>Former family-owned supermarket chain, acquired in 2005 by private equity firm, Select Retail Holdings. Originally employed 3,000 people in 23 stores, organized by Mandate, SIPTU and BFAWU.</p> <p>(Cluster: survival plans (declared or de facto))</p>	<p>The recession led to a collapse in consumer spending – retail sales declining by 17 per cent in the two years up to 2010. As a major firm in the quality/service segment of the grocery market, the business was severely affected by this trend, as well as by consumers switching from premium brands, shopping around and spending less per visit to the supermarket.</p> <p>Superquinn's market share slipped from 9 to 6 per cent, while the viability of the firm became increasingly encumbered by the property debts of its owner.</p> <p>In July 2011 the firm was placed in receivership by a number of banks seeking the repayment of property loans. Superquinn was immediately bought from receivership as a going concern by Musgrave's.</p>	<p>Firm negotiated a survival plan agreement with unions, involving cost-cutting measures, including a pay pause and voluntary redundancies. The deal included 'banded hours' contracts that provided a degree of predictability and earnings stability to staff regarding working hours and the introduction of annualized hours. Union experts accorded access to financial information Agreement was also reached on a multi-level partnership arrangement.</p> <p>Continuing trading difficulties led to an agreement regarding the pausing of contributions to the staff pension scheme for a fixed period in lieu of pay cuts.</p>
<p>Medtronic</p> <p>Irish subsidiary of leading US firm in</p>	<p>The recession led to a fall in the volume of sales in the industry, as health purchasing processes were streamlined, public health</p>	<p>Local management gained agreement on a pay freeze, in return for contract employees gaining permanent positions. Intensive</p>

<p>the medical technology industry. Employs 2,000 people. Semi-skilled process workers (1,300) organized by SIPTU.</p> <p>(Cluster: mandate renewal within parent company)</p>	<p>budgets were curtailed and providers of medical treatments substituted less expensive devices for premium products. Medtronic experienced a fall in sales, while revenue growth and profits dipped.</p> <p>The parent company instituted a series of cost-cutting measures that included redundancies and curbs on pay and promotion.</p>	<p>communications used to convey the company's business conditions. The local plant and union, mindful that the Irish subsidiary was the sole plant to recognize a trade union and that competition for investment would now intensify within the multinational, sought to demonstrate that difficult company-wide decisions could be implemented through negotiation.</p>
<p>Ericsson</p> <p>1,4000 people employed in 3 Irish sites. Employees (20 per cent) organized by SIPTU.</p> <p>(cluster: classical HRM firms undergoing global restructuring)</p>	<p>Before the onset of the recession the firm prioritized cost control and leanness in its global operations. The Irish subsidiary operated a competitiveness drive from 2005 to drive down costs and improve competitiveness while avoiding compulsory redundancies. The Irish firm was obliged in 2009 and 2010 to cut significant numbers of jobs as business activities were relocated across global operations in an ongoing restructuring programme.</p>	<p>Firm operated a competency-management system as the core component of its human resource practices. Firm gained agreement on voluntary and compulsory redundancies while maintaining trust and commitment among its local highly-skilled workforce. The competency management system, <i>inter alia</i> involving training and development matched to firm's medium-term business strategy was maintained throughout restructuring programme and was seen by management as to have been instrumental in sustaining motivation and commitment and maintaining support for the firm's business strategy.</p>

Notes

¹ It should be said that Regini's term was meant to apply to the work and employment practices adopted by major European companies during the 1980s and 1990s.

² The agricultural sector in Ireland is comprised mainly of family-owned firms, with few non-family employees and the work and employment practices in such undertakings would not be captured in a questionnaire developed for the more conventional undertakings that provide the focus for alternative portrayals of change in work and employment practices. The reason for limiting the sample size to firms of 50+ employees was partly logistical: the experience of ESRI was that response rates in smaller firms were generally very low. The rationale, however, was mainly again substantive. Work and employment practices in small firms are generally informal and could not be adequately captured by a questionnaire designed to measure the kinds of work and employment arrangements that provide the focus for alternative portrayals of change.

³ Time-trend extrapolation tests (Armstrong and Overton 1977) were undertaken by comparing the pattern of responses on key variables for early responses with responses obtained in a second wave of survey fieldwork. The assumption is that late respondents are closest to the profile of non-respondents, given that they had responded to the survey following more reminders and further encouragement. Chi² tests undertaken on the incidence of 47 work and employment practices found significant differences only in the case of 5 practices and even in these instances, these differences occurred in both directions: 3 practices showing a higher incidence among early respondents and 2 practices showing a higher incidence among late respondents. T tests for differences in means were also undertaken for the items included in Table 3 regarding the manner in which firms had conducted relations with trade unions in the recession. Of 10 items tested, significant differences in scale means emerged in only 2 instances and again in both directions: the scale mean being higher among early respondents in one instance and lower in the other.

⁴ Full technical details of the survey methodology and data re-weighting is available from the authors.

⁵ A final cluster, involving a small number (2) of cases, involved firms that sought to cut costs by involving their employees and sometimes their unions in measures that ring-fenced the pay bill. One case in this cluster (a non-union company) declined to become involved as a case study, and the other (Aughinish Alumina) was already well documented in the literature as a 'partnership company', and had managed to maintain partnership in the recession. As such, we dropped this cluster from the study, preferring to examine cases less well documented and understood.

⁶ Details of the software program used for the latent class analysis can be found at <http://statisticalinnovations.com/products/latentgold.html>.

⁷ Wald Statistics and their significance levels perform this function in latent class modelling. Where work and employment practices were of no statistical significance in distinguishing between the responses of firms, these were often dropped from subsequent analysis in a manner analogous to the backward elimination procedure in regression analysis.