

Master's Thesis

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INTERNATIONAL BUSINESS

SURVIVORS OF LAYOFFS

Attitudes and behaviors of employees

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Abstract

Previous research have shown that survivors of layoffs are affected by so-called survivor syndrome, meaning negative feelings in the form of job insecurity, decreased morale, guilt, less job satisfaction and even envy towards the laid off employees. The objective of this thesis is to explore how survivors of layoffs in Icelandic companies have experienced these feelings mentioned above in the wake of the economic crisis in 2008. Many companies have had to resort to group layoffs in the past four years and this research focuses on the time that has elapsed since then.

Participants were gathered together with the use of the social network page Facebook and people were asked to participate independent of their current employment status. Participants were divided into three groups dependent on their previous experience with layoffs, namely survivors, victims and those having no experience with layoffs. Comparison was then done between these groups to get better feeling for the survivors' perspectives on the research topic.

The results do not indicate that survivors of Icelandic companies are experiencing any of the researched factors of the survivor syndrome. The research did on the contrary reveal that the victims are experiencing more negative feelings after layoffs than the survivors. There were also some differences found between men and women in relation to how they see their position in the labor market. Furthermore, do the findings in this research contribute to the already researched topics of similar fields in Iceland.

Keywords: survivors, downsizing, layoffs, survivor syndrome

Declaration of Research Work and Integrity

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature of any degree. This thesis is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by giving explicit references. A bibliography is appended.

By signing the present document I confirm and agree that I have read RU's ethics code of conduct and fully understand the consequences of violating these rules in regards of my thesis.

Date and place

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Signature

Preface

This thesis is the result of my master's degree in International Business at Reykjavik University and it is worth 30 ECTS.

The economic crisis, group layoffs and personal experience were the main motivation for choosing this topic. A lot has changed in the Icelandic labor market since 2008 and the impact on those who survive layoffs has not been greatly dealt with in Iceland. Preparation on this thesis started in June 2012 and finished in December 2012. The process of writing this thesis has been challenging and there are many people who helped along in this process that I would like to express my gratitude towards.

First, I would like to thank my supervisor Katrín Ólafsdóttir, lector at Reykjavik University who has given me great supervision and advice in this process. Her feedback, guidance and knowledge in the subject were very valuable throughout the whole process of this research. Arney Einarsson, lector at Reykjavik University has also been a great help throughout the process of this research and I would like to express my thanks to her for providing me with excellent assistance. Also, I would like to thank my sister Anna Steinunn Gunnarsdóttir and Ásdís Arnalds, at the Social Science Research Institute, for helping me with the statistical process of the thesis and for assisting with SPSS.

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1 Introduction

This chapter consists of background information concerning the research topic followed by support for the research topic, the research problem and the research question. Specific hypothesis will be stated with the aim of answering the research question.

1.1 Background

The global financial and economic crisis that started in 2008 has been a major economic and political crisis in Iceland. It started with the failure of Lehman brothers and only few days later all of the three major Icelandic commercial banks, which accounted for almost all of the banking system in Iceland, collapsed following their difficulties in the global financial markets. Relative to the size of the Icelandic economy, this collapse is the largest crash by any country in the whole economic history (Economist, 2008). The aftermath has been a deep recession in Iceland and the population still has not seen great signs of recovery. The national currency took a deep fall, the Icelandic stock market fell by more than 90%, and the nation's gross domestic product (GDP) dropped by 5.5% in real terms in the first six months of 2009 (Statistics Iceland, 2009).

The topic of this thesis is about the aftermath in Icelandic companies after the economic downturn in 2008. During and after the crisis the focus has been on workers that lost their jobs and their livelihood because of the economic downturn. News about how many workers are currently being laid off and how many workers are looking for a job have been pronounced over that last few years. Given the circumstances that is understandable because in historical context, unemployment in Iceland has been very low and until the crisis hit in 2008, the country had one of the lowest unemployment rates compared to the OCED countries (OECD, 2012a). Shortly after the economic downturn started in Iceland the unemployment rate rose considerably mainly because many companies have had to resort to layoffs and some even to group layoffs. This is not only the case in Iceland but all over the industrial world. When people get laid off a certain process starts, which does not only affect the people that get laid off but also the organization and those who stay behind.

1.2 Subject motivation

In December 2007 the researcher started working for FL Group (a holding company) that later changed its name to Stoðir. Already at that time the company was in financial difficulties and within 4 months the management team had to lay off 6 employees. The total number of employees was around 25 at this time so that meant that almost 30% of the total number of employees was laid off at once. The atmosphere at the workplace after the layoffs was very uncomfortable since most of the people that were still standing could not help but to think: Will I be next? The tension continued and bad news about the company and the name change did not help the employees to relax at the office. At the end of September 2008 it was suddenly clear that the company was going bankrupt when the biggest part of the investment portfolio, Íslandsbanki, went under and was taken over by the government. As a result of that all the remaining staff was laid off. A number of people were asked to assist with some issues that needed to be taken care of but almost everyone was gone within 3-6 months. After this experience, the researcher changed jobs and started working for Straumur Investment Bank in December 2008. In March 2009 the same thing happened. The bank was nationalized because the liquidity position was no longer strong enough to sustain activities (David Ibison, 2009). Again, a majority of the staff was laid off and only a few employees remained.

To be a part of two big group layoffs within 6 months was an unexpected and unpleasant experience. At this time, Iceland and Icelandic companies were sailing into a period of large group layoffs. The economic downturn that started for real in October 2008 is an unforgettable period for most Icelanders. Many companies have been declared bankrupt since that time, three major financial institutions collapsed and had to be taken over by the government, the Icelandic currency, the krona, was suddenly on life support and a number of workers lost their jobs.

To look at this with a positive eye, the economic crisis has also created a unique research opportunity. The labor market suddenly changed and many survivors of layoffs are now working in a new environment even though they still work for the same company as they did before the crisis. Being an employee of a financial institution at this time of crisis created a curiosity in me as a researcher to look into the subject of survivors of layoffs and how the layoffs can change the workplace.

1.3 Research problem

Previous research in this subject area has mainly focused on individuals that have to cope with unexpected job loss and long term unemployment (Leana & Ivancevich, 1987; Leana & Feldman, 1994). Early literature concerning layoffs and downsizing has also focused mainly on those individuals that were dismissed from their jobs (Arroba, 1979). After 1980 most emphasis was still on those who were made redundant from their work places. However there seems to be a trace of academic journals during that time that started to focus on downsizing and how it was affecting the individual as a survivor (Campbell-Jamison, Worrall, & Cooper, 2001). According to Campbell – Jamison et.al (2001), Joel Brockner appears to be one of the first to investigate the impact layoffs can have on survivors of downsizing. Brockner has in collaboration with his colleagues used a variety of frameworks and methods to better understand and explain the survivors' reaction to corporate layoffs. Brockner has used theories such as equity theories and justice theories to better predict the survivors' reactions to layoffs. He has also used psychological states such as self-esteem and stress theory to explain the survivors' reactions. It was in the mid 1980's that the focus changed from voluntary layoffs to involuntary layoffs and the downsizing phenomenon has become a great research topic for many researchers since then.

The purpose of this thesis is to look into the situation that Icelandic companies were forced to deal with in the wake of the economic downturn in 2008. In such a severe downturn companies are often forced to downsize their workforce but the workload stays the same but gets transferred to the survivors. This means that the same amount of work will be performed by fewer employees. For the survivors the working environment has changed, there is no debate about that. The environment can become stressful for many reasons and for the survivors it is just as stressful as for the laid off victims (Dragano, Verde, & Siegrist, 2005). The survivors who often do not have the experience or the knowledge to take on more work may get overburdened when the workload from the laid off employees falls on them to perform. This situation is subject to increase the level of stress among the remaining employees. Survivors' reactions may also include anger, resentment, low morale, guilt, anxiety, withdrawal, apathy and relief. Removal of coworkers can also lead to higher levels of job insecurity (Winston James & Li-Ping Tang, 1996). Some researchers

have even suggested that survivors may experience feelings of guilt for own survival at the workplace (Allen, 1997; Kim S Cameron, Freeman, & Mishra, 1995) and furthermore that they might have experienced envy towards the victims after the downsizing has taken place (Kinnie, Hutchinson, & Purcell, 1998).

This aim of this thesis is to explore the situation that occurred in Icelandic labor market in the time that has passed since the economic crisis hit the country and look at the morale problems that might have occurred among the remaining employees after downsizing. Other researchers have dealt with this situation and to get an international perspective on survivors' reaction, findings in other countries will be briefly discussed. Since this topic has not been greatly dealt with in Iceland this thesis can be a fulfillment to the already researched topics that deal with similar situations. Icelandic studies on survivors will also be briefly discussed later in this thesis.

That being said, the main research question for this thesis will be stated as follows:

Does corporate downsizing actuate a negative impact on the survivors of downsizing?

In order to answer the research question, the following hypothesis regarding job insecurity, guilt and envy on the survivors of downsizing will be stated as follows:

Hypothesis 1: Survivors will have experienced job insecurity.

Hypothesis 2: Survivors will show signs of guilt towards the laid off victims.

Hypothesis 3: Survivors will have experienced envy towards the laid off victims.

The economic downturn created a unique research opportunity and the subject of survivors is very fitting at this time. Few years have passed since the crisis struck Iceland and many survivors are still working for a downsized company. It will interesting to find out if survivors in Icelandic companies will experience the same reactions as can be found in other countries all over the world.

1.4 Structure of the research

This research consists of seven chapters, as figure 1 shows. In the first chapter an introduction to the research was put forward and the research problem was analyzed. The second chapter presents the literature review. In the third chapter a conceptual framework is presented (based on the literature review). The fourth chapter covers the methodology used in this thesis. In chapter five the results from the study are presented. Chapter six covers the analysis of the study that was conducted in this thesis. At last, discussion of findings, conclusion and recommendation for future research will be discussed in chapter 7.

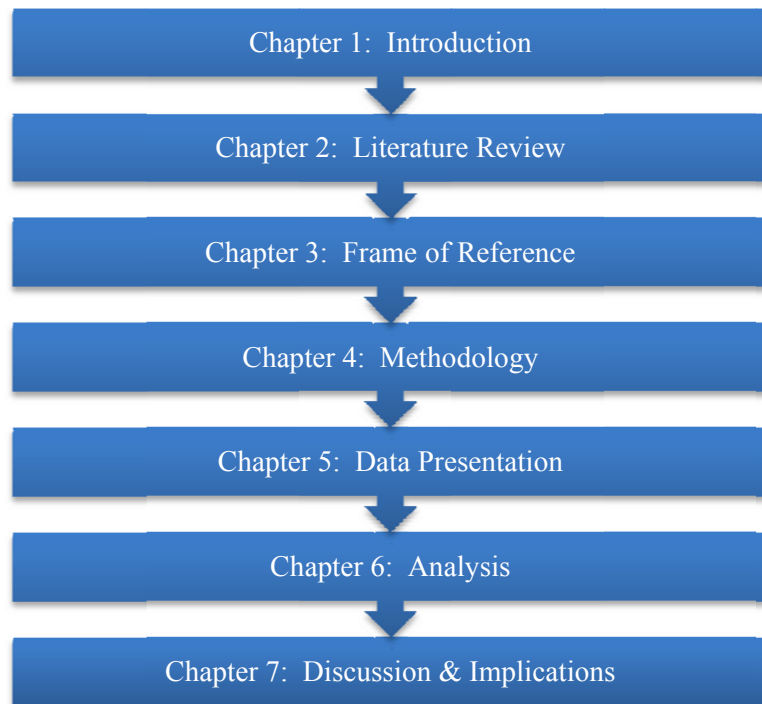


Figure 1: Research structure

2 Literature review

This chapter reviews earlier studies related to the research question in chapter one. More specifically, history and recent development regarding corporate downsizing will be discussed.

2.1 History

The downsizing term was first used in an organizational setting in the 1980 and applied to a process of cutting back employees when business and government in the U.S. began making major reductions to their employee bases in response to recessionary pressures. Thus, the term downsizing became associated with workforce reduction (Littler & Gandolfi, 2008). Downsizing has been used as a managerial tool in corporations and governmental bodies around the world. It was used as a strategy to change the organizational structure, to make it more streamlined but with respect to the number of personnel employed by the firm. As downsizing became more widespread, the term was applied to a broader range of managerial efforts to improve a firm's performance (Gandolfi, 2008). As a strategic managerial tool, downsizing has transformed thousands of companies and governmental agencies and the lives of millions of employees and their families all around the world (Amundson, Borgen, Jordan, & Erlebach, 2004).

There is an extensive literature available on downsizing, reflecting its existence in countries like the U.S., the U.K., Canada, Europe, Australia, New Zealand, and Japan in the 1980s, 1990s, and the early days of the new millennium (K.S Cameron, Freeman, & Mishra, 1991; Kim S Cameron, 1994; Dolan et al., 2000; Campbell-Jamison et al., 2001) and also in South-Africa (Vermeulen & Wiesner, 2000). Reflection on downsizing in these countries will be discussed later in this chapter.

2.2 Definitions

According to Cascio (1993) does downsizing refer to the planned removal of jobs or positions. This means that the primary purpose of downsizing is reduction of workforce. However, the meaning of downsizing can vary considerably between researchers therefore it is important to define the meaning of downsizing in this research paper. According to Cameron (1994, p.192) downsizing is described as:

...a set of activities, undertaken on the part of the management of an organization and designed to improve organizational efficiency, productivity, and/or competitiveness.

Downsizing is not something that happens to a company/organization, it is merely a procedure that members or managers of the organization intentionally undertake. Downsizing usually means reduction in personnel and that will be the meaning of this procedure in this research paper. Downsizing is also forced to affect work processes whether that is intentionally or not. When the workforce needs to be reduced fewer employees are left to do the same amount of work. This action therefore affects how the work is done and what work is done. Some downsizing methods may include some redesign of work processes but whether or not that is done the result will always be that work processes are influenced in one way or another by the downsizing decision (Cameron, 1994).

Before continuing, it is appropriate to define those who become most affected by the downsizing decision. First to mention are the victims that suddenly lose their jobs and leave the workplace and will hereafter be referred to as victims of layoffs. Secondly, the survivors are the employees who remain in the workplace when their coworkers and/or friends have been laid off and are referred to as survivors of layoffs. Last to mention is the executioner, who is the person that executes the layoffs (Gandolfi, 2008). A more detailed description of these partakers in this process will be defined later in this chapter.

2.3 Downsizing causes

Many scholars have put forward various downsizing causes and driving forces, however there does not seem to be a one single cause that can explain and account for the emergence and pervasiveness of the phenomenon that downsizing is (Gandolfi & Hansson, 2011).

Radcliff et al. (2001) talk about 3 types of downsizing causes. The first is the classical cause or what can be called the cost-saving downsizing method. This type of downsizing can be driven by a variety of market forces that is beyond the control of the company. Managers are often forced to use this method to cut costs within the company most likely because of financial stress, technological change or because of a reaction to competition and as part of industry conditions.

The second type of downsizing type is strategic downsizing. Companies use this type of downsizing when there is a need to refocus on some specific parts of the operation. Strategic downsizing tends to occur as direct consequences of changes in top company management. For example when a new leader is in control and he feels anxious to establish himself as a leader, he can resort to downsizing as a necessary procedure. In this sense strategic downsizing illustrates the work of managers that need to draw up a group of businesses that makes sense as a unified group (Radcliffe, Campbell, & Fogarty, 2001).

The third type of downsizing, according to Radcliff et al. (2001) is downsizing that is caused by mergers and acquisition. This type of downsizing is different from the other two previously mentioned mainly because it means new businesses and operations under the corporate tent and therefore dispositions are likely to happen. Restructuring is therefore inevitable and it forces the managers to consider all downsizing and restructuring possibilities (Radcliffe et al., 2001).

Downsizing might also be caused by financial difficulties or crises which are among the most dominant reason for downsizing (Cascio, 1993). In a global economic downturn or a recession, as occurred in 2008, it is safe to say that many firms and organizations had to resort to downsizing due to foreseeable financial losses.

There have been many explanations put forward to explain why firms resort to downsizing. To put forward one holistic explanation is undervaluing the perplexity of the downsizing phenomenon. The most common downsizing causes have been discussed here but it is important to remember that each downsizing decision represents various factors and in the end they most likely will all result in workforce restructure (Gandolfi & Hansson, 2011).

2.4 Downsizing consequences

When downsizing takes place inside an organization it is bound to impact both the individuals (victims and survivors) and the organization. As previously discussed, reasons for downsizing can be various though in most cases it is executed as a cost-saving procedure for the company that plans to eliminate workers (Gandolfi & Hansson, 2011). The anticipated result from the downsizing procedure is expected to yield economic as well as organizational benefits (Cascio, 1993). However there seems to be scant evidence for an overall success, effectiveness and efficiency of this strategy if we look at this from the

viewpoint of financial, organizational and human resource benefits (Gandolfi & Hansson, 2011).

2.4.1 Financial consequences

Number of research both cross-sectional and longitudinal have shown that while some organizations have reported financial reformation after downsizing, a majority of downsized firms have failed to improve levels of e.g. efficiency, effectiveness, productivity and profitability (Cascio, 1993; Gandolfi & Hansson, 2011). The downsizing literature reveals in most cases an overwhelmingly negative picture of the financial benefits of downsizing. Some researchers have indicated positive financial consequences in the short term but the long term effect appears to have shown to be consistently negative. It is important to realize that researchers have applied diverse measures for their analysis and there is no empirical evidence that suggests that there is a correlation between downsizing and improved financial performance (Gandolfi & Hansson, 2011; Gandolfi, 2009).

2.4.2 Organizational consequences

According to Palmer, Kabanoff and Dunford (1997) downsizing is expected to generate financial and organizational benefits and one of the major economic benefit that is expected is a direct increase in shareholder value. The procedure is rationalized by stating that future costs are more predictable than future revenues and cutting costs now should translate into higher profits in the future. What organizations expect from the downsizing procedure includes lower overheads, less bureaucracy, faster decision making, smoother communications, greater entrepreneurship, and increased productivity and some studies have shown these positive outcomes (C. L. Cooper & Burke, 2000). However, most empirical findings suggest that majority of corporate restructurings lack the objectives of downsizing and what issues it raises within the organization. Corporate downsizing actuates decreased morale, decreased productivity and an increased level of conflicts and loss of trust within the organization (Gandolfi & Hansson, 2011).

2.4.3 Human consequences

Like explained before, there are three categories of people that are directly affected by the downsizing procedure namely survivors, victims and executors. It has been argued that the consequences that downsizing has on these three groups are immense and far-reaching (Gandolfi, 2008). It is often assumed that it must be better to be a downsizing survivor than

a victim since the survivor at least has a job to go to. Nonetheless, downsizing practice has not shown evidence that the survivors are in a better place than the victims and some may argue that in the end it will be the survivors that turn out to be the victims as will be discussed below (Gandolfi, 2008).

2.4.4 Victims

When organizations resort to downsizing it can be for many reasons and employees are often let go due to reasons independent of their job competence. This means that people are laid off e.g. when structural changes inside the company are executed or due to external factors. These employees are called victims of layoffs (Devine, Reay, Stainton, & Collins-Nakai, 2003). Majority of research on the individual reaction to corporate downsizing has mainly focused on layoff victims, not survivors or executioners (Amundson et al., 2004). Previous research expose strong evidence of unsympathetic effects resulting from job loss that can depict itself in psychological stress, ill health, family problems, marital problems, lower self-esteem, depression and feelings of social isolation. Furthermore there is some evidence showing that job loss that is caused by downsizing can generate damage to the victims' careers (Gandolfi & Hansson, 2011). Factors such as gender, age, financial position, social support, length of unemployment and educational level may affect how the individual reacts to a sudden unemployment (Leana & Ivancevich, 1987).

However it is possible to find a positive side to this situation. If the downsizing is well executed and the victims receive support and training they might not experience as bad reaction to the downsizing as previously described. For example, Devine et. al (2003) found out that victims who found new jobs post-downsizing reported much more positive outcomes than the employees who remained in the downsized organization. These victims felt lower levels of stress on the job and reported higher levels of perceived job control and also they experienced fewer negative effects than the survivors (Devine et al., 2003).

Being a victim of downsizing is a life changing experience and there are both good and bad sides to look at. It is evident that many aspects of the process can be research material but the focus in this research paper will be on the survivors of layoffs.

2.5 Survivors

Like explained before, the survivors of layoffs are the employees who stay with the downsized company/organization after layoffs have taken place. How the survivors react to layoffs in the workplace can be crucial for the company they work for. Most of the time, the future of a company is dependent on the survivors and how they behave and work after the cutbacks are complete. Therefore, employee morale and productivity becomes vital to the future functioning of the organization (Winston James & Li-Ping Tang, 1996).

Many scholars have researched the behaviors and attitudes of employees that are affected by the downsizing process, especially the survivors of downsizing (Al-Kazemi, 1998; Nixon, Hitt, Ho-Uk, & Jeong, 2004). Results from this research have, for the most part, revealed that downsizing has a negative effect on the survivors. These negative attitudes and behaviors can reveal themselves in the form of reduced employee morale, satisfaction, commitment, communication, team work and job security just to name a few. All these negative attitudes can be put together in one and be referred to as “survivor syndrome” (Williams, Khan, & Naumann, 2011).

2.5.1 Survivor syndrome

The survivor syndrome is, like explained above, a cluster of the entire negative workforce outcome that survivors experience after layoffs. Besides from the factors mentioned in the previous section, survivors have the tendency to show dysfunctional work behaviors and attitudes, such as decreased motivation (Kinnie et al., 1998), decreasing morale (Cameron, 1994; Smeltzer & Zener, 1994) and decreased satisfaction at the workplace (Redman & Keithley, 1998; Armstrong-Stassen, 1993). Furthermore, survivors have showed increased level of absenteeism (Campbell-Jamison, Worrall, & Cooper, 2001; Gandolfi, 2005) and distrust towards management (Cascio, 1993; Greenhalgh & Rosenblatt, 1984). This is also the case according to Kinnie, Hutchinson and Purcell (1998) who found out that, survivors have shown increased levels of stress, absenteeism and distrust towards management. In the same research they also found that levels of work quality, morale and productivity had decreased among survivors (Kinnie et al., 1998).

Gandolfi (2008) divides the survivor syndrome into three categories depending on how the symptoms affect the survivor. These three groups Gandolfi calls survivor sickness 1, 2 and 3. The first category deals with the emotions, behaviors and attitudes that the survivors

show after downsizing. These factors include a variety of psychological states in the survivors, e.g. guilt, anger, relief and job insecurity. When the survivor is in such mental stage it will influence his/her work behaviors and attitudes such as motivation, job satisfaction, commitment and performance (Gandolfi, 2008). The second category deals with survivors' guilt that can take place both during and after downsizing and refers to the guilt that survivors might experience because their fellow coworker/friend was laid off but they themselves survived. The third and final category deals with survivors' envy and that takes place after the downsizing is complete and refers to perceived envy towards the laid off employees that left the workplace. These three sicknesses will now be discussed independently because they make up for the conceptual framework in chapter 3.

2.5.1.1 *Job insecurity*

One of the researched psychological states concerning the survivor syndrome is job insecurity. Many conditions within a company can create the feeling of job insecurity among survivors. Workplaces have a tendency to create friendship ties and those ties can be shattered when one friend is laid off and the other one stays. People who make close relationships at the workplace can identify closely with leavers and are more likely to take the layoffs more personally than those who don't. There are also external factors that can influence the survivors' job insecurity because the survivors who perceive that the job market will not absorb the laid off employees are more likely to experience the feeling of job insecurity. Anxiety is also connected to job insecurity and that may influence the performance of the survivors in the form of decreased productivity and possibly quality of work. High levels of job insecurity can also result in lower levels of morale and strained employee relations. Some survivors might also feel hostile towards the organization that they work for (Winston James & Li-Ping Tang, 1996). When looking into the hierarchy status of employees, no one is excluded not even those who hold higher positions although executive managers are less likely to experience job insecurity than middle managers (Armstrong-Stassen, 2005). Age can also be a determinant factor concerning job insecurity and research has shown that older people can become more affected than younger people (Naswall & De Witte, 2003). Research has also shown that middle-aged people are in more danger to be affected than both younger and older people. On the one hand, it might be more difficult for older people to find new careers if their careers suddenly ended and on the other hand middle-aged people are more dependent on their jobs because of their

financial commitments (De Witte, 1999; Naswall & De Witte, 2003). A study that was processed in 2001 showed that men revealed a stronger relation between stress of job insecurity and its negative outcomes than women in Italy, the Netherlands and Sweden although the difference was not significant. Suggestions were made that men might feel that they are the head of the family and greater supporters financially and therefore they might feel more threatened when there is a probability that they might lose their job (Naswall & De Witte, 2003).

According to Brockner, Davy and Carter (1985) survivors may engender perceived job insecurity when they experience their coworkers being dismissed. Anecdotal evidence has suggested that survivors can experience considerable amount of remorse in this situation which can be referred to as survivor guilt (Brockner, Davy, & Carter, 1985).

2.5.2 Survivor guilt

The second survivor sickness is called survivor guilt. Gandolfi (2008) explains the survivor guilt as a feeling of responsibility or remorse for some offence. The survivors express these feelings in term of depression, fear and anger (Noer, 2009). To further explain the survivor guilt Gandolfi (2008) compares this sickness to the combat syndrome, a soldier in combat experiences feelings of guilt if a fellow soldier dies in a combat. This is explained by feelings of relief for own survival but also feelings of enormous guilt that he was the one that survived and not his fellow soldier (Allen, 1997). Survivors have shown signs of survivors guilt for example when they receive their paychecks and they know a fellow coworker that is suddenly without a job. Survivors who work overtime have also shown signs of survivor guilt. One downsizing survivor explained this situation very well when she said:

“It makes you feel bad that you’re working overtime and others are desperate. I wish that (other) people could come in and work my overtime hours. If they could work a few hours a day, they could save their homes” (Brockner et al., 1985).

The survivor guilt is most likely to appear when the survivors feel that the terminations are not fairly handled (Brockner et al., 1985). Schweiger, Ivancevich and Power (1987) detected that it was not the terminations per se that provoked the survivor guilt among survivors but merely the manner in which the procedure was handled. In their research the

survivors expressed feelings of anger and disgust when their coworkers were fired and felt guilty that they themselves were not a part of the downsizing group (Schweiger, Ivancevich, & Power, 1987). Furthermore, the survivors also expressed the same feelings when they perceived that the coworkers who were let go performed at least as well or even better than the survivors did at the workplace. According to Appelbaum et.al. (1999) the perceived feelings of anger, bitterness and disgust among survivors may result in survivor guilt when the survivors experience a layoff of a coworker.

The survivor guilt might also be connected to some historic theories. Social behavioral theories have in some degree been set forth to explain the behavior and attitudes of employees in the work place. These theories have been used for years to explain different kind of behavioral patterns ranging from motivation to layoffs (Adams, 1963). In 1963 J. Stacey Adams put forward one of the most researched social comparison theories in the world that is entitled "*The equity theory*". This theory is directed at the consequences when people sense that they are putting more in (input) than they are taking out (output). In correlation to work and working environment, people seek balance between what they put in to the job e.g. effort, loyalty, determination, hard work and commitment and what they take out of the job e.g. salaries, perks, benefits, recognition, responsibility, training, promotion and more. People have the need to sense the balance between the inputs and the outputs to feel that they are being fairly treated (Adams, 1963; Greenberg, Ashton-James, & Ashkanasy, 2007). The sense of perceived fairness is explained by comparison of one person's equity or inequity to another person/individual or a group that Adams (1963) refers to as *referent*. If an employee feels that his treatment is inequitable, compared to others, he or she will be motivated to do something about it, which is seeking justice. For example when an employee senses that he is being underpaid compared to others he/she will be motivated to seek justice and reduce inequity. Among reactions from employees is less input, complaints, criticism to others performance or inputs and also emotional withdrawal e.g. absenteeism, tardiness or to quit (Adams, 1963). According to Greenberg et al. (2007) are individuals who have been treated unfairly more likely to reveal less job satisfaction than those who feel that they are being fairly treated.

It is argued that survivors should not feel guilty that their coworkers were laid off because the situation is beyond their control but research has shown that many survivors experience guilt and feel responsible for their coworkers' dismissal (Brockner et al., 1985).

2.5.3 Survivor envy

The third survivor sickness, Gandolfi (2008) calls survivor envy. The survivor envy is the simplest sickness of the other two already mentioned and has received less attention and research than the other two (Littler, 1998). The survivor envy emerges when survivors experience jealousy towards those who leave the organization (Kinnie et al., 1998; Campbell-Jamison et al., 2001). Research has shown that companies that resort to layoffs focus mostly on the downsizing victims, and for a good reason. They are the victims and they need counseling, help and support to get their lives back on track (Amundson et al., 2004; Allen, 1997). The survivors are supposed to feel happy and grateful that they still have a job but they know what the victims will receive when they walk out besides the counseling and support, namely various benefit packages. Survivors tend to believe that the victims will obtain either generous retirement incentive or perhaps new jobs with even more benefits or higher compensation (Allen, 1997). Even more, the survivors might sense that the benefit packages that the victims received could limit their own possibilities of obtaining financial support when their time comes to leave the company whether that is voluntary or not (Mollica & DeWitt, 2000).

This raises the question of who is actually lucky in this sense, those who leave or those who stay behind. The ones who stay are often faced with heavier workload, more responsibility and potentially higher level of stress for little or no extra compensation (Campbell-Jamison et al., 2001). Littler (1998) even stated that at times the survivors felt like the poor idiots that were left behind to clean up the mess within a downsized organization with limited resources (Littler, 1998).

2.6 Executioner

The person who implements the downsizing process is called executioner. This person is most likely an employee, a manager or a consultant that is entrusted with this process inside the given organization (Downs, 1995). Research in the emotional responses of the executioner is very slim but there is some evidence that shows that the implementers of downsizing suffer from similar symptoms as the victims and the survivors. That means that

to the implementers the downsizing process is both emotionally and professionally challenging (Gandolfi, 2007).

Ian Ashman (2012) believes that the phrase executioner does not do justice to the role that the person who needs to break the news of redundancies to his/her colleagues takes on. He prefers the name envoy because it is much in balance with the requirements of the role. In his research, Ashman interviewed many envoys who all agreed that the downsizing process was emotionally hard and many described this fate as to be the worst job they ever had to do. These envoys also reported that the closer the relationship with the victims the harder their task was to perform (Ashman, 2012).

2.7 Psychological contract

When people are hired into an organization (both managers and other employees) they are encouraged to feel like a part of a family. In the family the managers are the “parents” and they take on the beneficial parent role. The organizational employees, from executives to production workers, are then taken care of and the employees form some kind of a subjective contract with the employer (Noer, 2009). This contract is not a signed contract but it means that both the employer and the employee have an idea of what is expected of them. It is expected that the employer fits into the organization and the team, does the work well and what is expected from him as an employee. In return the employer offers compensation and opportunities within the company. This relationship between the employer and the employee is often referred to as the psychological contract (Shore & Tetrick, 1994).

Rousseau (1989) defines the psychological contract as an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between two parties that is, between the employee and the employer. This psychological contract establishes itself when one party believes that a promise of future return has been conducted (e.g. pay for performance) or a contribution has been given (e.g. some form of exchange) and thus, an obligation has been created to provide future benefits (Rousseau, 1989). This contract is not like other formal contracts in the sense that it is essentially perceptual and that makes it vulnerable since there is no guarantee that one’s party perception of the contract will be shared by the other (Parks & Schmedemann, 1994; Rousseau, 1989). Even though the

psychological contract is highly subjective it supports strong expectations of good faith and fair manners from both parties (Parks & Schmedemann, 1994). Although it is not possible to guarantee a common understanding of the psychological contract, one of its major features is the individual's belief that the agreement is mutual and a common understanding is established that binds the employee and the employer together (Rousseau, 2001).

After the World War II, employees were considered a long term asset to the organization and they were retained and nurtured and had a career within an organization for years. Anyone that was able to work and fit into the culture could count on a job until themselves decided to leave or retire. This old psychological contract began to unravel about twenty years ago (Noer, 2009). The new psychological contract began to show its face around the new millennium when both employers and employees were seduced back into complacency by the liquidity and the economic boom that took place at that time. With the financial meltdown in 2008 the world is facing the jolting reality of a worldwide wake-up call. In the past four years or so the worldwide labor market has been caught up in unprecedented global economic layoffs and also the toxic reactions of survivor sickness on both individuals and organizations (Noer, 2009). The old psychological contract was described with the following key words: stability, permanence, predictability, fairness, tradition, and mutual respect. The new contract, however, is described primarily as a short-term relationship between two parties with main emphasis on flexibility, self-reliance and achieving prompt results (Hiltrop, 1996).

2.7.1 Changes in the work environment

The current economic landscape has put pressure on organizations to better structure, motivate and retain employees. New markets and global competition have forced companies to adjust to the modern landscape by e.g. cutting costs, lower prices or increase productivity. The current business environment needs skilled employees at every level of the organization. Human resource managers have the difficult task to find and attract the best individuals that have the right combination of factors that the organization is looking for. For this process to be a success it is essential that the organization understands what the individual desires from the employment relationship (Lester, Kickul, & Eau, 2001). These changes along with the demand for a flexible labor market has resulted in changes in the psychological contract, the most valuable change though being that companies cannot offer

job security as they did before but still they do not want to lose the loyalty and commitment of their employees (Hiltrop, 1996). Downsizing, among other things is putting the psychological contract in jeopardy in firms today (Cappelli, 1992). The obligation that used to exist between the employer and his workplace is being replaced with a more unforeseen relationship (Morrison & Robinson, 1997).

2.8 International research

In our constantly changing economy researchers find many important and interesting issues to research. Corporate downsizing is one of these issues and researchers have studied this phenomenon to better understand the impact it has on business practices (Kim S Cameron, 1994). Researchers have put emphasis on the victims of layoffs and their experience and personal responses towards corporate downsizing but few studies have focused on the survivors of a workforce reduction (Amundson et al., 2004). Downsizing is not a new phenomenon and job elimination and employee cutbacks have made its appearance in organizations and companies all over the world. Most empirical evidence derive from the United States (US) e.g. previous researchers from Brockner et.al (1985), Gandolfi (2008) and Noer (2009) who all have studied the survivor syndrome in the U.S. To get an international perspective research from other countries, which deal with similar topics as the current study, will now be dealt with.

2.8.1 Canada

In Amundson et.al (2004) research, the issue of survivors is greatly dealt with. In this particular research downsizing survivors in Canada are interviewed to determine incidents that either helped or hindered their transition through the downsizing process. The authors divide their themes into 2 categories namely: Moving into and moving through (this means the questions that deal with the incidents that occur in the beginning and through the downsizing process) and moving on (this category deals with the ending of the downsizing process). The first category deals with the following themes: the downsizing process, coworker relationships, leadership, communication, feeling valued, morale, life after work, possible job loss and organizational support. The second category deals with two themes, the new job and new coworkers. All themes were equally represented across gender and also both through the private and public sector.

The participants reported both negative and positive incidents towards all the emerging themes although the majority of the incidents were negative. Participants also reported both hindering and helpful viewpoint to all the themes mentioned above. The two biggest negative incidents were the downsizing process and coworker relationship. In the first one, survivors were concerned about the restructuring process and in their responses to the research they indicated that they would have wanted to understand and be more involved in shaping the restructuring process. The survivors implied that they were reassured when they could understand and have a voice in the process but experienced resentment when their input was not valued or sought after. In the later one, the survivors reported negative incidents involving the people that they worked with before. These negative incidents included regret for the people that were let go and also feelings of sadness and loss. This is in line with Brockner (1992) who experienced isolation and loneliness among survivors when their coworkers were laid off. In the same research survivors also expressed feelings of guilt and envy (Brockner, 1992).

It is common that employees form healthy and close relationships in the workplace and the organization needs to be aware of that and respect these coworker relationships. The survivors need time to say goodbye to the people that are leaving and grieve the relationships that were formed. Survivors find it disturbing when the organization does not allow them to prepare for, grieve or even acknowledge the loss of coworkers (Amundson et al., 2004).

In this particular research the survivors also reacted to the way their colleagues were treated by the organization when the resignations took place. When the layoff victims were treated unfairly the survivors showed feelings of resentment and anger. On the other hand, when the victims were handled sensitively and with care the survivors were more reassured and felt better (Amundson et al., 2004).

The participants in the survey also noticed changes in their feelings towards the organization. They also revealed that they sensed changes in their coworkers' feelings and that negative moods of other employees contributed to their own negativity. In relations to morale, the survivors described feelings of anger, cynicism, resentment, fear and anxiety both within themselves and among other employees (Amundson et al., 2004).

2.8.2 United Kingdom

In 2001, Jamison - Campbell, Worrall and Cooper examined the psychological implications that downsizing can have on survivors. This research was done on two levels, individual level and organizational level. Emotional, attitudinal and behavioral effects of layoffs on survivors were examined as well as the resultant implications for management. Also, they examined the impact of layoffs on the organization in terms of organizational morale, motivation, organizational loyalty and job security. The main purpose of this study was to explore the impact of layoffs in the U.K. and compare to similar studies that had been done before in the U.S. The authors' objective was to report a similar research that had already been conducted in the U.S. and verify if the survivors experience between these two countries differ considerably despite different legal and social – political frameworks (Campbell-Jamison et al., 2001).

The researchers found out that the reactions of the survivors were in line with the previous studies in the U.S. The survivors showed very negative reactions ranging from shock, guilt and anger to disbelief and worry. The participants in the research felt strongly that they had been let down by the organization and that the organization had broken the psychological contract between them with the implications to destroy the trust that had been created. They also felt that the layoffs were originated within the organization although the reason appeared to be outside the control of management. The results also showed that the layoffs affected the survivors' well being in form of less sleep and negative impact on their life outside work. The researchers also found that the layoffs had a damaging effect on the organization in terms of morale, loyalty, motivation and commitment. In whole the survey showed that the results from the U.S. studies could be supported and the survivors had experienced a variety of negative emotions to the layoffs (Campbell-Jamison et al., 2001).

2.8.3 Australia

Research that was done in Australia also revealed that the survivors showed signs of the survivors' syndrome. These symptoms were negative morale, negative employee commitment and increased concern in regards to job security. Motivation, job satisfaction and commitment in the workplace also dropped in about 50 percent of the companies that participated in the survey. All these factors are then related to a drop in productivity, but 60

percent of the companies that participated reported a drop in productivity after downsizing and restructuring had taken place (Gettler, 1998).

Further on productivity, human resource professionals have described the symptoms of an unproductive survivor culture as a lack of motivation, loyalty, trust and recommitment to the new organization. The survivors show for example feelings of deception, guilt, anger and frustration and all these feelings contribute to the low employee morale and lost productivity (Cameron, 1994; Markowich, 1994). In his consulting work, David M. Noer asked a group of managers that were working in a downsized environment to reflect on the question: *How productive is a workforce with these survivor feelings?* (E.g. anger, hurt, guilt and sadness). Most managers concluded that these feeling were indeed a barrier to productivity within an organization (Noer, 2009). One of the most common reasons why companies that downsize perform so poorly is that they may not be prepared for the low morale and lower productivity experienced by the survivors of downsizing. Most companies are anticipating and preparing for the employees who are laid off but not the survivors (Isabella, 1989).

2.8.4 South-Africa

In the past twenty years or so South-African companies have had to deal with all kinds of changes in their economic landscape, including socio-political changes, new governmental regulations and re-introduction to global markets. These changes have called upon a response from all sides including organization, private and public companies and the government to react according to these changes. The responses have included downsizing and restructuring in many places that has precisely resulted in workforce reduction and job elimination (Vermeulen & Wiesner, 2000).

Vermeulen and Wiesner (2000) researched the survivor syndrome in South - African companies in the year 2000 after examining downsizing figures from 1991 to 1996. The researchers looked at variables like morale, staff commitment, perceived promotional opportunities, motivation, job dissatisfaction and concern about job security. It is safe to say that their analysis indicated that downsizing affected the survivors negatively. Employee morale fell in 75.4% of the cases, commitment and motivation also decreased in nearly 70% of the cases, while concern about job security rose in 80% of the cases. Their research further indicated that the public sector was more affected by the downsizing

procedures and participants from the public sector showed more negative feedbacks than the private sector.

Although the environment in South-Africa is affected by socio-political changes the results show similar findings as in other countries. The survivor syndrome has hit the survivors in South-Africa hard and it will be interesting to know if survivors in Icelandic companies will be as greatly affected. First, it is important to recollect what has been happening in Iceland in the past few years.

2.9 Recent experiences in Iceland

In early October 2008 the Icelandic economy suffered a great deal when the country's three largest banks collapsed and had to be taken over by the government. The Icelandic currency, the krona, collapsed as well and Iceland was forced to secure help from the International Monetary Fund (IMF). The IMF (2008) calls the collapse of the 3 Icelandic banks the biggest banking failure in history relative to the size of the economy. This severe economic downturn in October 2008 forced many companies to lay off their employees (International Monetary Fund, 2008).

2.9.1 Unemployment

If we look at history, unemployment in Iceland has been relatively low. From 1980 to 1990 the average percentage of unemployment fluctuated from 0.3% to 1.7%. It began to rise after 1990 and peaked at 5.0% in 1995. In the year 2000 the unemployment rate fell to 1.3% and stayed between 1.3% and 3.4% until 2008. In 2009 the unemployment rate rose to 8% on average for the year but peaked at 9.1% in April 2009. In 2010 the unemployment peaked at 9.3% in February and March 2010. In 2011 the unemployment rate was on reached a high of 8.6% in February and March. For the first 4 months of 2012 the unemployment rate was 7.0% on average and lowest in April or 6.5% and that was 0.6% less unemployment from the previous month (Directorate of Labour, 2012c). In the summer months the unemployment rate usually decreases and in May the unemployment rate went down to 5.6% and continued to decrease in June, July and August. For these months the unemployment rate was 4.8% on average. The reason being the season among other things since history has shown that unemployment normally decreases when people get hired for summer jobs (Directorate of Labour, 2012c).

Figure 2 reveals the adjusted unemployment history in Iceland graphically from 1980 to 2011, which means that seasonal influences have been adjusted for in each year. It is obvious that the bank crisis that occurred in 2008 has entailed the greatest unemployment numbers in Iceland since the beginning of measurement.

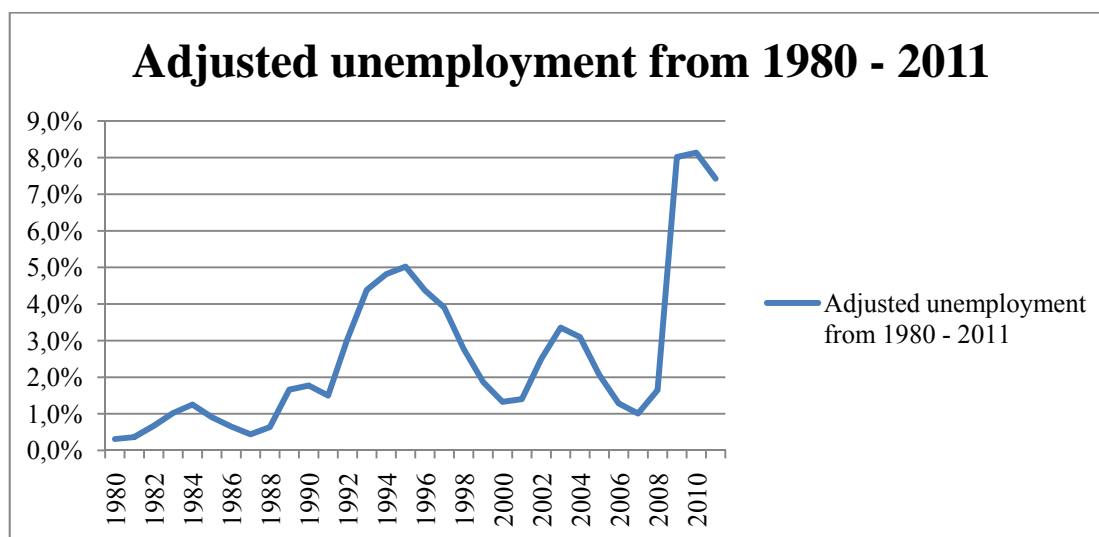


Figure 2: Adjusted unemployment in Iceland 1980-2011

Source: (Directorate of Labour, 2012c)

If we take a closer look at the unemployment numbers in the years after the economic crisis in 2008 we can see how drastically the numbers go up (see table 1). Unemployment is a little higher among men than women throughout this period but the most recent numbers from the Directorate of Labor show that average unemployment in October 2012 was 5.2% and was 4.7% among men and 5.8% among women (Directorate of Labor, 2012a).

Year	Men	Women	Total
2008	1,5%	1,8%	1,6%
2009	8,8%	7,1%	8,0%
2010	8,6%	7,6%	8,1%
2011	7,6%	7,3%	7,4%

Table 1: Unemployment among men and women (2008-2011).

Source: (Directorate of Labor, 2012c)

The Icelandic labor market laws ensure that workers in the labor market have 1- 6 months notice depending on how long they have worked at the same place. The length of the layoff notice can be determined in a cooperation with the employee that laid off, that is, if the

organization wants the employee to work through the resignation notice they can do so (Act No. 63/2000, n.d.).

2.9.2 Labor force participation

Labor force participation in Iceland has always been high and higher than the average of the OECD countries from 1998 – 2009 (OECD, 2012a). The definition of labor force participation rate is the percentage of working-age people, people between the ages of 16-64 that are currently employed or those who are looking for a job (Matt Moffatt, n.d.). In the U.S. the labor force participation rate is usually around 66-68% (Bureau of labor statistics, 2012). In comparison to Iceland, the labor force participation rate has been around 88-89% from over the last 17 years or so. Like table 2 reveals, the labor force participation rate went a little down in 2009 after the economic downturn, more among men than women.

Year	Percentage of men	Percentage of Women	Total percentage
1995	88.4	80.9	84.7
2000	89.8	83.3	86.6
2008	90.9	82.5	86.9
2009	88.4	82.0	85.3
2010	88.2	82.7	85.5
2011	87.8	82.4	85.2

Table 2: Labor force participation rate in Iceland (age 15-64).

Source: (OECD, 2012b)

In 2008 labor force participation among Icelandic men was 90.9% in Iceland which was the highest rate among the OECD countries that year. In 2011 the labor force participation among Icelandic men was in excess of 87%. Women in Iceland have also been very willing to work outside their home and from 1995 the labor force participation rate among women in Iceland has been from 80.9% (lowest) to 83.3% (highest) like table 2 shows (OECD, 2012b). In comparison, labor force participation among women in the OECD countries is 66% on average (“OECD. Better Life Index,” n.d.).

2.9.3 Group layoffs

Numbers of group layoffs rose sharply after the economic collapse in 2008 and many people lost their jobs. According to Icelandic laws a group layoff takes place when at least 10 workers in a company with more than 20 workers and less than 100 workers are laid off

within a calendar month (Act No. 63, 2000). Since 2008 a total of 8.357 individuals have been laid off in group layoffs and 80% of these jobs were in Reykjavík or the capital area. Most layoffs have been in the construction industry and the financial sector. These two markets had been the fastest growing sectors in Iceland from 2003 – 2007 (David Carey, 2009). Table 3 here below gives a clearer picture of how many individuals lost their jobs in group – layoffs in the years following the bank crisis. Total of 209 announcements were made to the Directorate of labor (Vinnumálastofnun) from 2008 to 2011 that resulted in layoffs of 8.357 individuals.

Year	Number of individuals laid off in group -layoffs
2008	5.074
2009	1.789
2010	742
2011	752
Total	8.357

Table 3: Total number of individuals laid off in group-layoffs (2008-2011).

Source: (Directorate of Labour, 2012b)

Majority of these group layoffs were implemented in these years 2008 to 2011. To be precise, terminations of 8.117 individuals took place in these years.

When looking at the implemented terminations from 2008 to 2011 in table 4 here below we can see that out of the 8.117 laid off individuals, 4.472 individuals were employees of the construction and financial industries, which is 55% of the total layoffs in these years (Directorate of Labour, 2012b).

Sector	Number of implemented layoffs	Percentage of total layoffs
Fish processing	295	4%
Industry	604	7%
Distribution system	65	1%
Construction	3.419	42%
Commerce	981	12%
Transportation	727	9%
Hotel services	84	1%
Publishing	428	5%
Finance/Insurance	1.053	13%
Special operations	140	2%
Various services	165	2%
Educational services	81	1%
Health/social services	64	1%
Culture/sport/leisure	11	0%
	8.117	100%

Table 4: Total reported layoffs by sectors (2008-2011).

Source: (Directorate of Labour, 2012b)

These numbers tell us how many people have been laid off in group layoffs from 2008 to 2011 and more importantly they tell us in which industries most layoffs have been executed. It is fair to assume that there are survivors in all of these industries although they are probably in majority in the construction and financial/insurance sectors. According to Armstrong – Stassen (1993), layoffs affect different groups of employees across the organizational hierarchy but there is little systematic research on how the effects differ across industries. For that reason it will be interesting to know if layoff experience among survivors in Icelandic differs across sectors.

2.9.4 Research in Iceland

Downsizing and the impact of downsizing on survivors has not been greatly dealt with in Iceland. In 2009 Eiríka Guðrún Ásgrímsdóttir researched what impact downsizing in time of crisis has on the survivors seen from the viewpoint of managers that executed the layoffs. The viewpoints of the survivors themselves were however not researched. Few others have looked into this subject in their undergraduate studies and researched other aspects of this phenomenon. Anna Guðrún Tómasdóttir (2009) made this phenomenon as her subject in her BS thesis in Business Administration when she researched the survivors of an Icelandic airline company. The results of that research showed that the survivors

experienced more job insecurity, more demands at the workplace and much more stress than a year before the layoffs (Anna Guðrún Tómasdóttir, 2009).

Counseling services like Capacent have also dealt with similar issues concerning the labor market that give suggestions about the attitude from employees. Capacent conducted a survey in 2010 among Icelanders that were active in the labor market with the aim to explore downsizing methods in Icelandic companies. The results revealed that 80% of the participants had been working in firms or organizations that had resorted to various downsizing methods, the most common methods were indentation of travelling expenses, overtime prohibition and cut in salaries to control or decrease cost. Participants in this research reported decreased morale, lower trust in managers, diminishing loyalty and lower job security in the organizations that had resorted to any downsizing methods in the workplace (Tómas Bjarnason, 2010).

When the crisis hit Iceland, attitudes from employees were reviewed by comparing surveys from the trade unions (VR and SFR) from the years before and after the downturn. On the whole these surveys revealed that there were only small changes in the attitude of the employees concerning: managers' credibility, atmosphere at the workplace, fairness of compensation, corporate culture, working conditions, happiness, pride and image of the company in question (Eiríka Guðrún Ásgrímsdóttir, 2009).

In 2009 Sigurlaug Elsa Heimisdóttir and Gylfi Dalmann Aðalsteinsson conducted an Icelandic research among Human Resource (HR) Managers to explore how the economic crisis affected Human Resource Management in Iceland. According to this research the participants answered that the morale in the workplace had not changed after the crisis, although some employees were working side by side an employee that had been laid off. They also reported that productivity had not decreased after the bank crisis in 2008. A great majority of participants admitted that other employees were afraid of being let go as well. After the crisis the HR managers noticed a change in HR practices especially with hiring freeze, prohibiting overtime and reducing job proportions (Sigurlaug Elsa Heimisdóttir & Gylfi Dalmann Aðalsteinsson, 2010).

Arney Einarisdóttir and Ásta Bjarnadóttir also conducted a study in 2010 that explored how the economic collapse affected employees, their attitudes and job-related behaviors in the

Icelandic labor market and then they compared the impact of the public sector to the private sector in this correlation. They looked at factors like job satisfaction, commitment, organizational support (which refers to support from the organization, that can create a positive connection with the employees performance), organizational citizenship behavior (which is used to describe the will of employees that want to contribute more than what is considered necessary), procedural justice (which refers to changes in procedures that the company represents and whether or not the employees feel that these procedures are fair) and finally optimism for the future among other elements. Results of this study imply that there has been a positive change in factors like job satisfaction, loyalty, organizational citizenship behavior, organizational support and fairness among employees in the public sector. On the other hand, the development is not as positive among employees from the private sector because they reported negative change in factors like organizational support, procedural justice and optimism for the future. This study strongly suggests that employees in the public sector have experienced more positive change since the economic collapse than employees in the private sector (Arney Einarsson & Ásta Bjarnadóttir, 2010).

Ásta Snorradóttir has recently explored the health and wellbeing among employees of the Icelandic banks after the bank crisis. She conducted two surveys among members of SSF (The Confederation of Icelandic Bank and Finance Employees) in 2009 and again in 2011 (Ásta Snorradóttir & Margrét Þorvaldsdóttir, 2011). According to the results of this research are employees that survived the layoffs and are still working in the downsized environment the ones who have experienced the most psychological distress. The ones who lost their jobs and had not found a new one (in the short-term) and those who had found new jobs felt better than those who survived the layoffs. Among the participants in this research there were more than 25% of them who had feared losing their job and the proportion was a little more among women than men. In 2009 50.70% of women feared losing their job against 45.30% of men. In 2011 the perceived job insecurity had waned considerable because at that time 29.1% of women and 22.5% of men were experiencing job insecurity (Ásta Snorradóttir & Margrét Þorvaldsdóttir, 2011; Morgunblaðið, 2012; Ásta Snorradóttir, 2011). These results indicate that there is job insecurity to be found among survivors of layoffs and it will be interesting to know how men and women experience job insecurity differently in the current study. This might also indicate that if

survivors are the ones who feel the worst after the bank crisis that they might envy the victims or at least might feel that the victims were lucky to have left the downsized organization.

Ásta's research has definitely revealed some interesting results but her research is limited to only one sector, which are bank employees. It is safe to say that this group has experienced the bank crisis more profoundly than other groups since 20% of the workforce was laid off permanently (Ásta Snorradóttir, 2011). It will be interesting to know if and how the atmosphere among the survivors and the current employees has change since the crisis hit the labor market now that few years have passed.

3 Frame of Reference

The aim of this chapter is to develop a conceptual framework that is based on the theoretical framework discussed in chapter two. The conceptual framework will then be used to organize and direct data collection for the remaining chapters.

3.1 Conceptual Framework

The conceptual framework for this thesis is built on Gandolfi's explanations of the survivor syndrome. Like explained before in this thesis Gandolfi divides the survivor syndrome into 3 categories depending on how the symptoms affect the survivor and whether the symptoms take place during or after downsizing (Gandolfi, 2008). As the literature review describes there are many emotions, actions and attitudes associated with the survivor sickness. To form this conceptual framework only few of these concepts previously mentioned will be used. Figure 3 shows how Gandolfi defines the survivor sickness and divides them into 3 categories. These categories will be the main foundation to form questions and either support or reject the hypothesis stated in section 1.3.

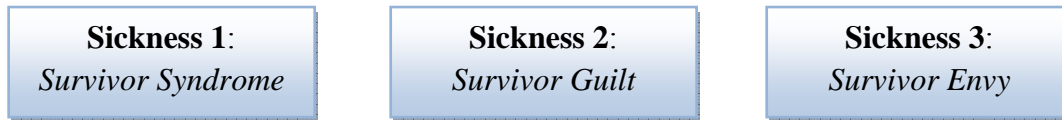


Figure 3: Survivor sickness categories

3.1.1 Sickness 1

The first sickness deals with the survivor syndrome that can both take place during and after the downsizing process. This sickness embraces the following psychological states in figure 4 and influences the work behavior of survivors:

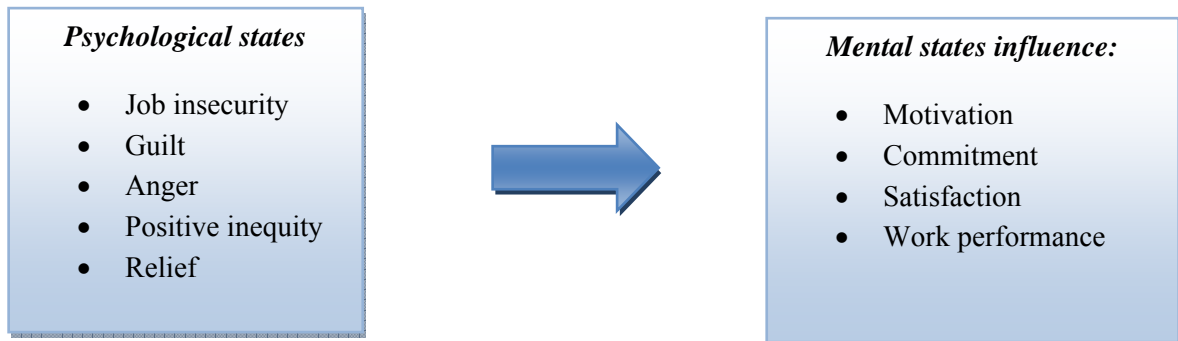


Figure 4: Survivor sickness 1, states and influences

Researchers have also found many symptoms that survivors have identified with in previous surveys and the predominant ones are exposed in figure 5.

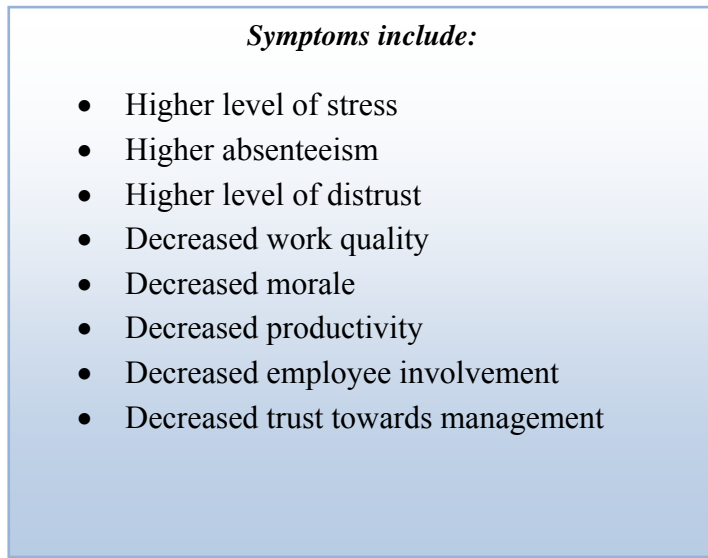


Figure 5: Survivor sickness 1, symptoms

The thesis will only focus on one of the psychological states derived from figure 4, namely job insecurity. Then from the mental states influence, commitment to the organization and job satisfaction will be addressed. The survivor sickness symptoms in figure 5 are many and they all are interesting research subjects but they cannot all be explored in this study. Therefore, it was decided to focus on two of these symptoms, namely lack of trust towards the downsized organization and employee morale. That being said, the framework for sickness 1 will be like displayed in figure 6.

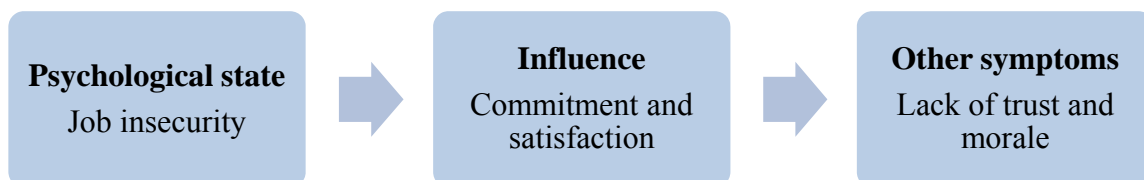


Figure 6: Survivor sickness 1, framework

3.1.2 Sickness 2

Survivor sickness number 2 deals with the survivor guilt which can take place during and after the downsizing process. Feeling guilty over the fact that you survived the layoffs but not your fellow coworker is not unc customary. This feeling is common among survivors

especially when they feel that the victims were not fairly treated or that their performance on the job was no better than the victims (Gandolfi, 2008). The most common feelings in this situation are depression, fear and anger. To address the survivor guilt few things will be looked into including feelings of relief for own survival, perceived fairness towards victims and from the main feelings associated with survivor guilt, anger towards the organization.

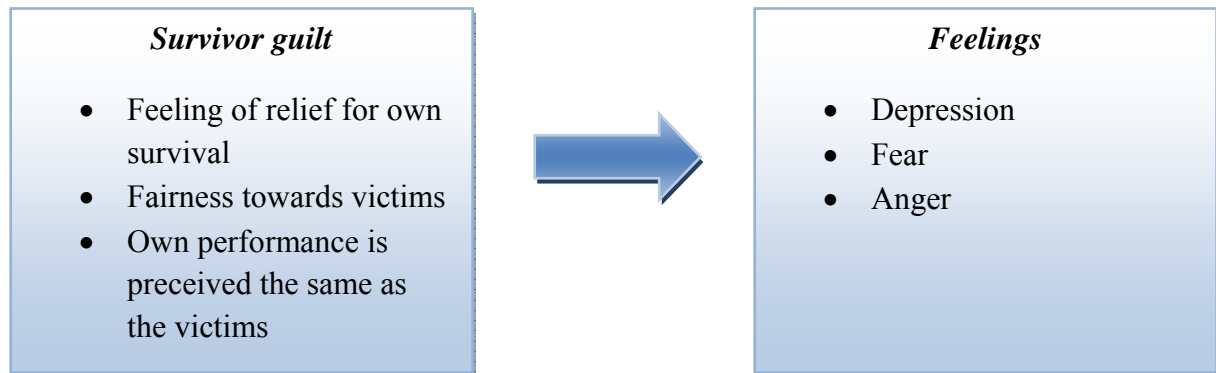


Figure 7: Survivor sickness 2, guilt

3.1.3 Sickness 3

The last survivor syndrome is the survivor envy and according to Gandolfi (2008) this sickness is the simplest one and takes place after the downsizing has been executed. The reason being, that it only addresses the feelings of envy towards the victims. It can happen that the survivors will experience that the victims are well treated but they themselves are forced to take on extra work for no added compensation. To address this sickness the survivors will be asked questions about perceived envy towards the victims and if and how the workload has changed.

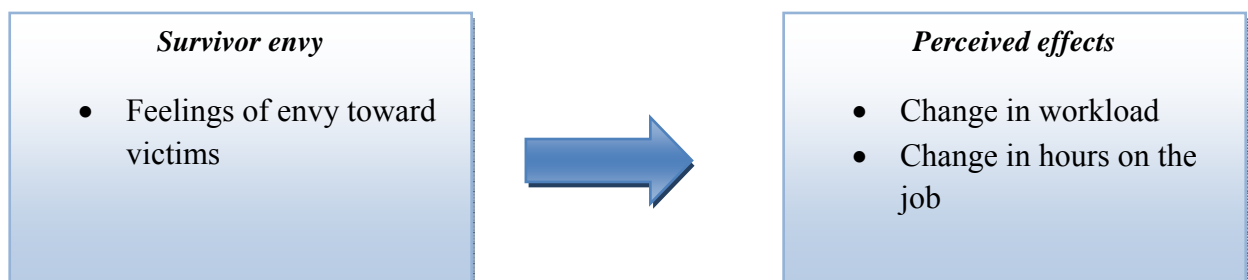


Figure 8: Survivor sickness 3, envy

This being said, a one holistic framework has been established. This framework is the basis for the process of this thesis and with it, it will be possible to answer the research question as stated in chapter one.

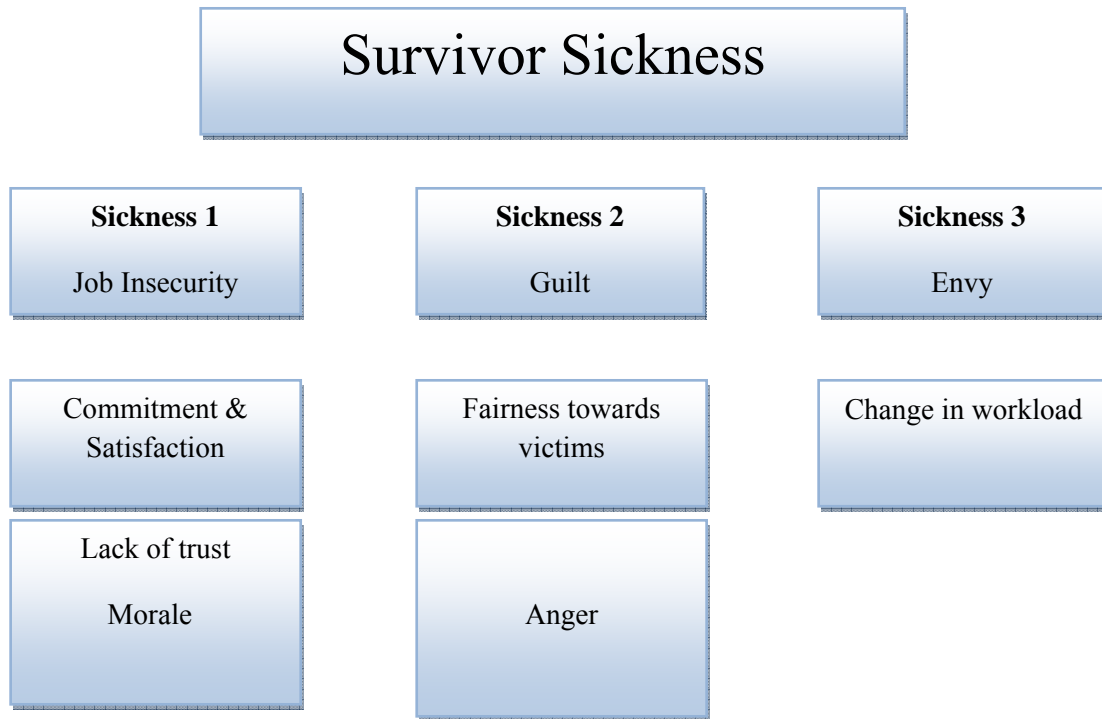


Figure 9: Survivor sickness, holistic framework

4 Methodology

In this chapter the methodology for this research paper will be discussed and justified along with guidelines for the gathering of the needed information.

4.1 Research design and approach

A research design is a plan and a procedure that a researcher composes and spans the pathway from decisions to a detailed method of data sampling and analysis. This plan involves making many decisions and it mainly evolves around the idea of how to make the best design for a given topic. The selection of research design is mainly based on the nature of the research problem and sometimes on personal experience of the researcher or even the audience that it is presented for (Creswell, 2009).

According to Aaker et al. (2004) there are three types of research approaches and they differ significantly in terms of research purpose, research questions, the accuracy of the suggested hypothesis and also the data collection methods. These research approaches are *Exploratory research*, *Descriptive research* and *Causal research* (Aaker et al., 2004).

Exploratory research method is used when there is little prior knowledge to build on or the research problem is difficult to define. The research method can be highly flexible and unstructured and the researcher has to start this process without having a sense of what the result will be. In most cases this research method is conducted through qualitative methods in forms of interviews or case studies (Aaker et al., 2004).

Descriptive research method is used when the researcher wants to get a firm perspective on a particular part of the market environment. The research problem is well structured and hypotheses do exist but in general when this method is used there is no intention to explore causal relationships. This method is used to get a better understanding of a specific topic (Aaker et al., 2004).

Causal research method is necessary to use when the researcher wants to show that one variable is dependent on another variable. It can for example be used to measure what impact a specific change will have on existing norms in a company and with the result the company can better structure its business plan in the future (Aaker et al., 2004).

This thesis research question is as follows: *Does corporate downsizing actuate a negative impact on the survivors of downsizing?* The characteristics of the question are mainly descriptive. Hypotheses have been formed and the research problem is well structured and based on the conceptual framework. Consequently, this thesis will be built on a descriptive research method.

4.2 Research strategy

A research can be approached in quantitative, qualitative or mixed method way. Quantitative approach is applicable when the sample size large, the questions are closed – ended and when dealing with numeric data. Qualitative approach is most suitable when the researcher wants to establish a meaning to given situation in form of few and deep interviews, open-ended questions or through observation of the topic. The mixed method approach is a collection of both Quantitative and Qualitative data and is used when the researcher starts with a survey/experiment and then later changes to interviews to get more detailed views from the participants (Creswell, 2009).

The research question and the hypotheses in this study imply that a quantitative method is best suitable for this research since the research problem is well defined (Creswell, 2009). The aim is to get answers from as many survivors as possible so the sample size might be relatively large and the questions will be closed-ended.

4.3 Data collection

When dealing with a descriptive research method it is possible to use either primary or secondary data resources. Secondary data is something that is already available and has been used before in other studies e.g. a previously used questionnaire. Since this study has not been explored before a primary data collection method will be used. That means that questions will be formed to specifically address this particular research problem. According to Aaker et.al (2009) the best suitable data collection method for a descriptive research is through the use of surveys. Therefore a questionnaire format will be used as a data collection method for this study.

4.4 Questionnaire Design

An important part of a quantitative research design is to form the questions so the study will draw the best and most accurate results. There are three types of question formats to

choose from when preparing a questionnaire: open-ended, closed-ended and scaled-response (Burns & Bush, 2009). According to Aaker et. al (2009) having a self-administered questionnaire means that the researcher must reconcile to questions that can be answered by ticking a box or circling a proper response from a set that the researcher has prepared. With this in mind, the questionnaire will only contain closed-ended questions and no opportunity will be given to express a certain opinion with open-ended questions. There are nine steps involved in development of a questionnaire according to Crawford (1997). These steps are:

1. Decide the information required.
2. Define the target respondents.
3. Choose the method(s) of reaching your target respondents.
4. Decide on question content.
5. Develop the question wording.
6. Put questions into a meaningful order and format.
7. Check the length of the questionnaire.
8. Pre-test the questionnaire.
9. Develop the final survey form.

When forming the questions for this study the researcher kept in mind these steps and looked into previous research from the downsizing literature but questions were also developed specifically for this study. The questionnaire was formed in cooperation with the supervisor of this thesis and pretested on a group of individuals before it was sent out. The questionnaire was available online for one week, from 13th of November to the 20th. No reminders were sent out during that period.

Pretesting

Pretesting is an important part of the questionnaire design. When a questionnaire is formed it is normally done by one person or maybe two and it is impossible to say if it is going to achieve the desired results until it is tested as a full-scale survey. The goal of the pretesting is to make sure that the questions are understood, they are placed in the best order, whether additional information is needed or some questions should be eliminated (Crawford, 1997). The questionnaire for this study was pretested on a group of ten individuals. The

individuals that took part in the pretesting phase were all currently employed and all of them had some kind of experience with layoffs in their current or past workplace. They registered the amount of time it took to finish the questionnaire and made comments while recording their answers. There were few changes made and some of the questions were eliminated and others put in. After this phase the questionnaire evolved into its final form.

Levels of measurement

Most marketing research defines four levels of measurement that is nominal, ordinal, interval and ratio. It is important to choose the right scaling method for any given project since the measurements directly affects the statistical techniques that will be used in analyzing the results (Crawford, 1997). The first 6 questions in the questionnaire will be used in order to categorize the respondents by layoff experience and these questions are setup in multiple choice form involving 'yes' and 'no' answers to expressing how deep experience they have had with layoffs. These questions fall under the nominal scale. The next category of questions contains only scaled-responses ranging from strongly agree (SA) to strongly disagree (SD) on 5 point - Likert scale where strongly agree gets the value 1 and strongly disagree gets the value 5. These questions fall under the interval scale. The final part of the questionnaire covers the background information and in that part the participants are categorized demographically according to various variables. All the questions in that part are multiple choice questions except for one, which is the question of age. It was decided that it was better to ask directly about age so it would be easier to calculate the mean and work with these numbers and then later age was categorized. The background questions all fall under the nominal scale.

Layoff contact experience. These questions were formed to measure the degree of contact the participants had with layoffs and to separate victims from survivors and also to distinguish those who have had no contact with layoffs in the past four years. This measure contains five questions and four of them are derived from Grunberg's, Anderson-Connolly's and Greenberg's research on layoff survivors. These four questions ask participants whether they had at any time in past four years (a) been laid off, (b) received a warning notice that they might be laid off in the next round of downsizing, (c) had close friends at the company and/or (d) coworkers laid off (Grunberg, Anderson-Connolly, &

Greenberg, 2000). These questions were adjusted to the current study but the bases of these questions were formed in consideration with Grunberg's et.al. previous research. The researcher added the question about the frequency of layoffs in the past four years to better classify the depth of the contact with layoffs. The first question in this category was made especially for this study and its aim is to filter out those who have no experience with layoffs. Those who had not been active in the labor market in the past four years did not participate further in the study.

These questions will tell us how much experience the participants have had with layoffs whether it is a personal experience involving dismissal from a workplace or witnessing the layoff of a friend or coworker. The first five questions that constitute this measure are viewable in the questionnaire that is available in Appendix A. Finally, those who had been victims of layoffs were asked to state in what kind of industry they worked when the layoff took place.

Sense of layoff justice. The questions that constitute this category are three. The first two are derived from Grunberg's, Anderson-Connolly's and Greenberg's research and asks the respondents if they felt that the company acted fairly in choosing those who were let go in the layoffs and secondly how well they felt the company treated those who were let go. The questions were changed into statements and the respondents were asked to state their opinion on the scale from strongly agree (1) to strongly disagree (5). The third question in this category deals with how well the reasons for the layoffs were explained to the employees. According to (Brockner, Grover, Reed, & Lee Dewitt, 1992) are survivors who experience that the procedures used to implement the layoffs are done unfairly or ill explained more likely to react negatively to the downsizing process.

Sense of guilt towards the layoff victims. This category is integrated with the layoff justice category. The first question in this category asks if the participants have had good friends/coworkers at the workplace that lost their jobs during layoffs. It has been suggested that survivors that have formed friendship ties in the workplace and have had to witness their friends or close coworkers forsake the workplace might feel guilty that they survived the layoffs and angry if the layoffs are not executed fairly or the layoff victims are badly treated (Gandolfi, 2008). The participants were asked if they have experienced guilt within

themselves because their coworkers or a friend at the workplace was laid off. This question was formed especially for this study mainly because the literature review suggests that these feelings are common among survivors. To verify if the participants experienced anger towards the organization they were asked one question, put forward as a statement: *I have experienced anger towards the organization that laid off people that worked closed to me.*

Together, the *sense of layoff justice* and *sense of guilt for the layoff victims* generate survivor sickness number 2 but only the questions that are directly pointed at guilt will be used to support or reject hypothesis 2.

Organizational commitment and satisfaction. To measure job satisfaction employees were asked six questions. All of the questions in this category were taken from Grunberg's, Anderson-Connolly's and Greenberg's research except one and they are all presented as statements. The statements were: *all in all, I am very satisfied with my job; in general I don't like my job (reverse coded); in general I like working here: I would turn down another job with more pay in order to stay with this company; I am proud to work for this company.* Two questions came from a previous Icelandic research conducted by Hlín Kristbergdóttir, Leifur Geir Hafsteinsson and Arney Einarisdóttir (Hlín Kristbergdóttir, Leifur Geir Hafsteinsson, & Arney Einarisdóttir, 2008) that is: *Most days I am excited about my job* and *I feel like "one of the family" with the company I work for.* The last question states: *I have wanted to change job in the past few years* and was added to this category on a hint from the group that pretested the questionnaire and thought that it would be interesting to know how many people would have wanted to change jobs but did not.

Sense of perceived job insecurity. Previous studies have willingly concentrated on survivors fear for job security and with good reason. Perceived job insecurity is directly connected to unemployment and when survivors fear that they do not have any alternatives to change jobs they might experience organization devotion (Kim, 2003). This means that survivors who fear layoffs will show more organizational loyalty so they will not be next on the "list" to leave. In this study employees were asked a few questions related to job security that were taken from Wang-Bae Kim's (2003) research on the socio-psychological impact of downsizing on layoff survivors. The participants were asked to state their opinion on 5 questions that according to Kim (2003) measure perceived job insecurity. Participants were

asked to value their position within the company for the next 12 months although the original questions measure few years ahead in time. The original questions were: (a) *Do you expect to be promoted within the next several years?* (b) *Do you expect your skills to be useful 5 years from now?* (c) *What is level of confidence that your job will be necessary 6 months from now?* In the current study these questions were changed into statements so participants could scale them from strongly agree (1) to strongly disagree (5). Other questions concerning job insecurity were taken from Brockner's, Grover's, Reed's and Dewitt's (1992) research on the relationship between job insecurity associated with layoff and the work effort of employees who survived the layoffs. To assess the perceived threat of layoffs employees were asked three questions: (a) *To what extent do you believe more layoffs in the organization are likely to occur in the near future?* (b) *To what extent do you believe that you will be laid off in the near future?* To make sure that congruity was throughout the questionnaire these questions were also put forward as statements. In the third question participants were asked: *Suppose you were laid off. If so, how well do you think the assistance that management actually offered the laid off people would provide for your needs?* Responses ranged from very well (1) to not well at all (5). It is suggested that survivors who stated low values to this scenario were unlikely to feel that the company would provide for their needs in the aftermath of the downsizing and therefore their job insecurity would be greater than of other respondents. All the questions concerning job insecurity will be used to support or reject hypothesis 1.

Sense of envy towards layoff victims. This category is split up into two sets of questions. The first three questions in this category are derived from the literature review. According to Campbell – Jamison et.al. (2001) there are a few things that contribute to the envy of survivors towards the layoff victims. Survivors are often faced with heavier workload because the tasks that the laid off individuals performed were transferred to the surviving employees and to verify that the participants were asked if they had to take on more work due to layoffs in the company. Furthermore, it is suggested that the survivors might experience that they do not feel lucky to have survived the layoffs and they might even have preferred to be one of the laid off employees (Campbell-Jamison et al., 2001). To verify if this could be the case, the employees were asked if they had experienced this feeling. They were also asked if they considered those who were laid off lucky to be gone.

The second part of this category has to do with change in workload after downsizing. The questions that form this category are taken from Grunberg's, Anderson-Connolly's and Greenberg's research that used the same questions to measure work overload. These questions were put forward as statements like other questions in this study. The statements were: *I never seem to have enough time to get everything done; I have too much work to do everything well; the amount of work I am asked to do is fair (reverse coded)*. There were two questions in this questionnaire concerning the change in working hours. Participants were asked if they believed that they had to work more hours on the job today than they did before and also if they had to contribute more to their work today to finish the same amount of work as they did before.

Control variables. To better assess the information from the participants they were asked a few standard questions about age, gender, job position, education, time worked at the company and whether the respondents has children under the age of 18 living at home.

The final questionnaire can be found in Appendix A but here below (table 5) is the final construction of the questionnaire consisting of the variable measured, question – response format and measurement levels of scales used. Note that the entire questionnaire was conducted in Icelandic and then translated back to English.

Question #	Construction/ variable	Question - Response Format	Measurement Level of Scale
1-6	Layoff contact experience	Closed-ended	Nominal
7-9	Sense of Layoff Justice	Scaled	Interval- labeled
10-12	Sense of guilt towards layoff victims	Scaled	Interval- labeled
13-15	Sense of envy towards layoff victims	Scaled	Interval- labeled
16-20	Sense of perceived job insecurity	Scaled	Interval- labeled
21	Sense of perceived job insecurity	Scaled	Interval- labeled
22-24	Sense of survivor syndrome	Scaled	Interval- labeled
25-32	Organizational commitment and satisfaction	Scaled	Interval- labeled
33-37	Sense of envy towards layoff victims/workload	Scaled	Interval- labeled
38	Demographic (Gender)	Closed-ended	Nominal
39	Demographic (Age)	Open-ended	Nominal
40	Demographic (children)	Closed-ended	Nominal
41	Demographic (education)	Closed-ended	Nominal
42	Job tenure	Closed-ended	Nominal
43	Organizational sector (profession)	Closed-ended	Nominal
44	Position	Closed-ended	Nominal

Table 5: Design of Final Questionnaire

After the questionnaire was finalized, a sample was needed to participate in the survey. This research is focused on survivors of layoffs so it was important to get survivors to participate but to be able to compare the behavior and experiences of the survivors it was decided to let everyone participate in the survey and then victims and those who had no previous lay-off experience were distinguished from the survivors. To get as diverse sample as possible an unorthodox method was used to spread the questionnaire and get people to participate. There has been a constant growth in using social media such as Facebook for research purpose since its creation in 2004. Facebook has become a new playfield for social scientists to explore their opportunities and observe behavior in a naturalistic setting and it also has become a unique “place” to address participants from almost any country and

demographic group (Wilson, Gosling, & Graham, 2012). On October 4th it was announced that Facebook had over 1 billion active users (Facebook, 2012). In Iceland alone there were 210.220 active Facebook users in December 2012 which accounts for 67.6% of the population. Internet usage in Iceland is also very high, or 97.8% of the whole population has access to the internet (Internet World Stats, 2011). Since the aim was to get people that have been actively working in the past 4 years to participate in the survey the target group was decided from the age of 20 to 64. In Iceland, the compulsory education ends at the age of 16 and although a vast majority continues his/hers education in high school there is always someone who starts working at the age of 16 (Ministry of Education, Science and Culture, n.d.). This group might though be very small. In 2011, 55% of Facebook users were 26 years of age or older worldwide (Ken Burabry, 2011) specific numbers for Iceland could not be found but it is assumed that these numbers reflect the Icelandic Facebook users. In collaboration with the instructor it was decided to aim for at least 300 people to participate in the study. The reason for this number is that when the sample is divided into three groups (survivors, victims, and no experience) it should have around 100 participants in each group, according to Aaker et. al (2009) this is a good rule of thumb. The researcher created an event on Facebook and invited every Icelandic friend to participate and these people were then asked to invite their friends and so on, aiming for a snowballing effect. Initially there were 281 people invited to participate but in the end the invitations were at least 1000. Some invitation did go through e-mail since not everyone has a Facebook account and those people were also asked to forward the questionnaire so it is impossible to know how many individuals were exposed to study. This means that this study is based on a convenience sample and the entire participants took part willingly.

Convenience sampling is well known among biologists because in field studies it is easier to use this method than other methods. An important part to consider when using this method is that numbers and results from this method cannot be used to generalize to the population (Anderson, 2001). There is no debate about that it would be preferable to be able to test the whole population or to be able to generalize to the population but in this case it is impossible to include every individual. Using the convenience sampling methods means that biases are possible, some individuals are left out that could be important to the study and also, some individuals might be overrepresented (Riffe et.al, 2005).

4.5 Quality criteria

An important part of data collection is to manifest that the actual survey instrument is valid and reliable to use. Validity means that the existing instrument that has been established by the author is meaningful and measures what it is supposed to measure. Reliability in this context looks for whether the results measures are consistent and stable. Furthermore, reliability is also concerned with the measurements and if it is free of biases and unstable errors (Cooper & Schindler, 2006). Quality of empirical research can be judged on few things: content validity, predictive validity, construct validity and face validity and reliability (Creswell, 2009). This current study was confronted with face validity and reliability.

Face validity refers to obviousness of the survey or if the test seems to measure what it is intended to measure. This means that it has not proven to work but the intentions are valid (Aaker et al., 2004). Face validity was establish in this study by contacting the supervisor, Katrín Ólafsdóttir, and Arney Einarsdóttir, lektor at Reykjavík University to comment on the representativeness and quality of the questionnaire. There were some structural changes made in form of congruity, wording and length of the questionnaire. Before the final version of the questionnaire was ready it was tested on a group who gave good and wholesome criticism to the benefit of the questionnaire concerning layout and convenience.

Reliability appears to not as important than validity but it is easier to measure and generally receives more attention. The most basic method for establishing reliability is to ensure that the measures provide stability over time or internal consistency. This can be done by repeating the measurement with the same method and the same target group more than once and correlating for the results (Aaker et al., 2004). Since this study has not been done before there is no previous sample to compare with. The questions in the questionnaire have almost all been used before in international research and here in Iceland which means that other people have already been exposed to the questions in other studies.

5 Data presentation

The aim of chapter five is to present the data that were collected from the online questionnaire, concerning employees in the Icelandic labor market. This particular data will be analyzed in terms of demographic factors and experience with layoffs.

5.1 Response rate

There were 471 individuals that viewed the online questionnaire, 411 that started to answer the questions and 333 that completed it which results in 81% completion rate. There are always people who drop out after starting online surveys and to keep consistency throughout the questions it was decided to use only the completion rate, to be precise, answers from 333 individuals were used to reach a conclusion in this study. Table 6 shows a description of response rate for this survey. Since this is a convenience sample the results will not reflect the population but it might give implications about how survivors experienced layoffs in the wake of the economic meltdown in 2008.

	Frequency	Percentage
Viewed	471	
Started	411	
Completed	333	81%
Drop Outs	78	19%

Table 6: Response rate

5.2 Demographic structure of respondents

There were 323 that answered the question about their gender and from that number 86 men completed the questionnaire and 237 women. The average age of respondents was 43 years but the age bracket was rather wide, ranging from 19 years the youngest to 66 years the oldest. The most common age was 34 years, those who were born in 1978. The respondents were asked directly about their age but to make statistical analysis it was decided to group the respondents according to their age into 10 groups. Table 7 reveals the gender and age distribution along with the status of children in the household. From this table it is clear that most respondents are female, in the age from 26 - 45 and have children living in their homes. Table 7 also reveals the education, job tenure and organizational position of the respondents. The most common education is an undergraduate university degree, most of the respondents have been working in their current workplace for four years or more and specialist is the most frequent position among the participants. Two

adjustments were made to the demographic classification of respondents. In the education category there were only 4 respondents (1.2%) with doctorate degree and since it is difficult to do statistical analysis with such few cases the answers from these respondents were moved to the category above (University/postgraduate). In the organizational position category, only 13 (4%) answered with “other” and they were moved to the category above (general employee). This will make statistical calculation easier.

Variable	Classification of variable	Count	Valid Percentage
Gender	Female	86	26,6%
	Male	237	73,4%
Age	20 and under	5	1,6%
	21 to 25	10	3,1%
	26 to 30	37	11,6%
	31 to 35	114	35,8%
	36 to 40	47	14,8%
	41 to 45	32	10,1%
	46 to 50	25	7,9%
	51 to 55	24	7,5%
	56 to 60	13	4,1%
	61 and over	11	3,5%
Children	Yes	202	63,5%
	No	116	36,5%
Education	Elementary/primary school	34	10,6%
	Trade school	21	6,5%
	Collage	43	13,4%
	University/undergraduate	108	33,5%
	University/postgraduate	103	32,0%
	Other education	13	4,0%
Job tenure	1 year or less	54	16,8%
	1-2 years	35	10,9%
	2-3 years	28	8,7%
	3-4 years	24	7,5%
	4 years or more	154	47,8%
	I am currently not working	27	8,4%
Organizational Position	Supervisor	28	8,7%
	Manager	48	15,0%
	Specialist	103	32,1%
	General employee	111	34,6%
	NA	31	9,7%

Table 7: Demographic profile of respondents

In the demographic variable Organizational position there was a small change done afterwards, that is everyone that replied with other (NA) were move to category above. This was done to decrease the number of categories and to make analyzes simpler. Table 8, gives a better picture of how the positions are divided between genders.

	Supervisor	Manager	Specialist	General employee
Men	17,8%	23,3%	35,6%	23,3%
Women	7,0%	14,5%	35,5%	43,0%

Table 8: Organizational position analyzed between genders

In the table above we can see that men are in majority of those who fulfill a supervisory and manager's positions while women tend to be general employees in their workplace. Concerning job tenure, both genders had similar answers and majority of both groups had worked in their current workplace for 4 years or longer. The most common education for both genders was an undergraduate and postgraduate university degree.

Respondents were asked in which sector the company that they are currently working for is operating. This question was conducted so it could be possible to compare answers from the participants across sectors, if necessary. Figure 10 shows the different operating sectors of participants' current workplace.

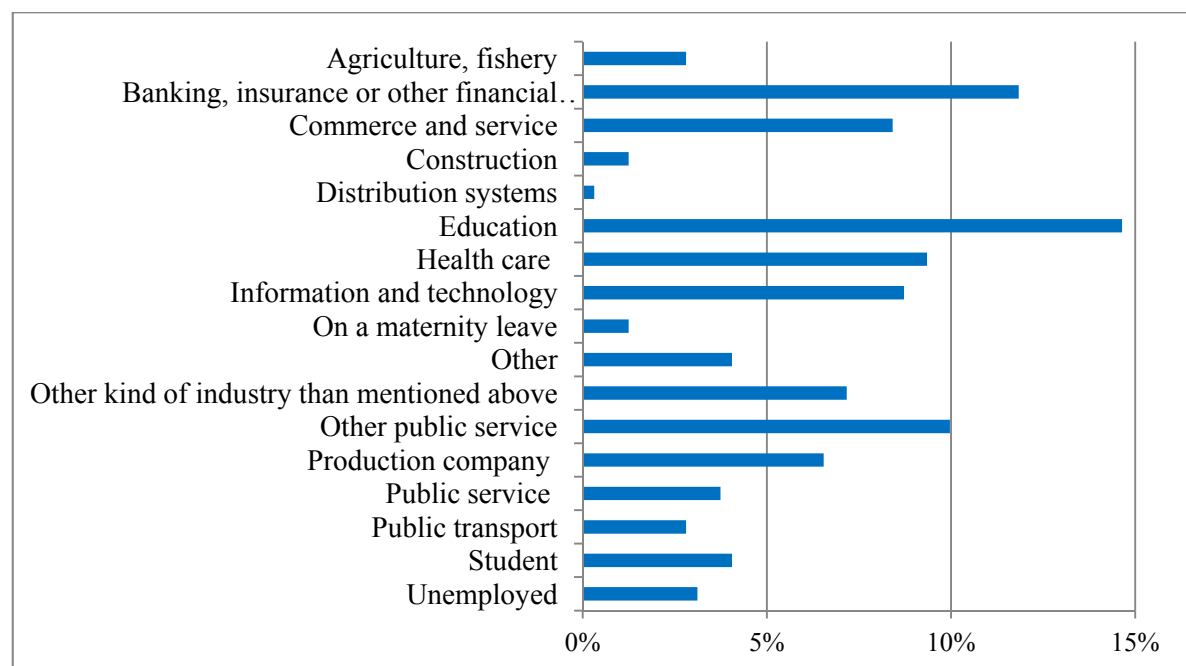


Figure 10: In which sector operates the company that you work for?

According to these numbers, most participants are currently working in the education sector and bank/financial institutions but all in all they are distributed all over the sectors. Those who answered with “other” were currently working in large-scale industry, media, consultant agency, tourism, oil company, slaughterhouse and dance school. In the next section participants layoff experience will be analyzed along with further categorization of victims, survivors and those who have no experience with layoffs.

5.3 Layoff contact experience

This part of the survey was designed to measure the degree of contact the participants have had with layoffs. The first two questions required an answer and their purpose was to screen out those who had not been active in the labor market in the past 4 years. These respondents were asked to discontinue the survey and were thanked for their participation, they amounted to 10 people. Those who had not been employed with a company that had to lay off people in the past four years (answered question one with *no*) were automatically transferred to the second part of questionnaire that applied to their current job because they were labeled with no experience with layoffs in this study. Those who answered the first question with *yes* were the only ones that were exposed to the entire questionnaire, since they had previous experience with layoffs. This group was then split into survivors on one hand and victims on the other hand, in question 2. In total there were 323 individuals ($N = 323$) that were either a victim, survivor or had no experience with layoffs. Figure 11 reveals the percentage of these groups.

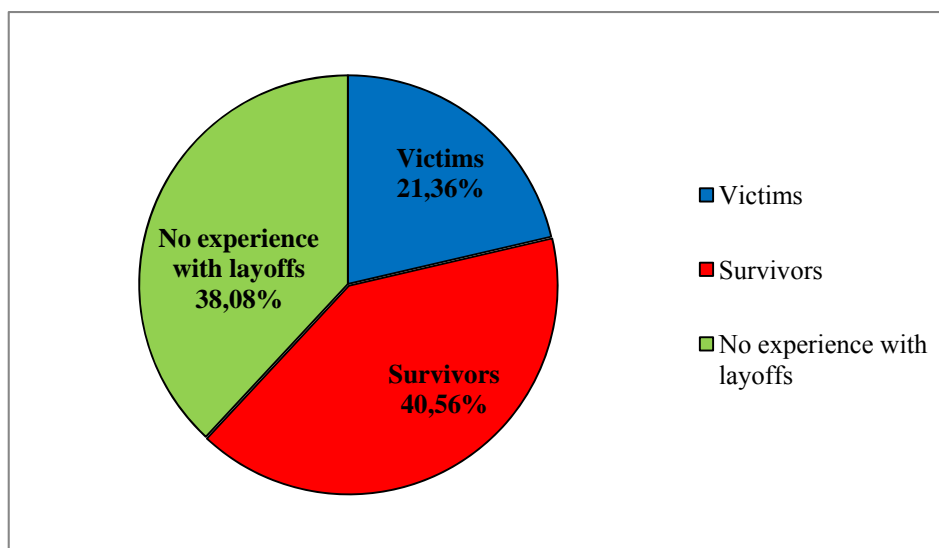


Figure 11: Distribution of participants

When looking closer at these numbers we can see that women with no experience with layoffs are the largest group. Women exceed men in all groups only because they are in majority of respondents but survivors are the largest group of all the participants. Figure 12 shows how the total number of respondents is distributed between the three groups and also between genders.

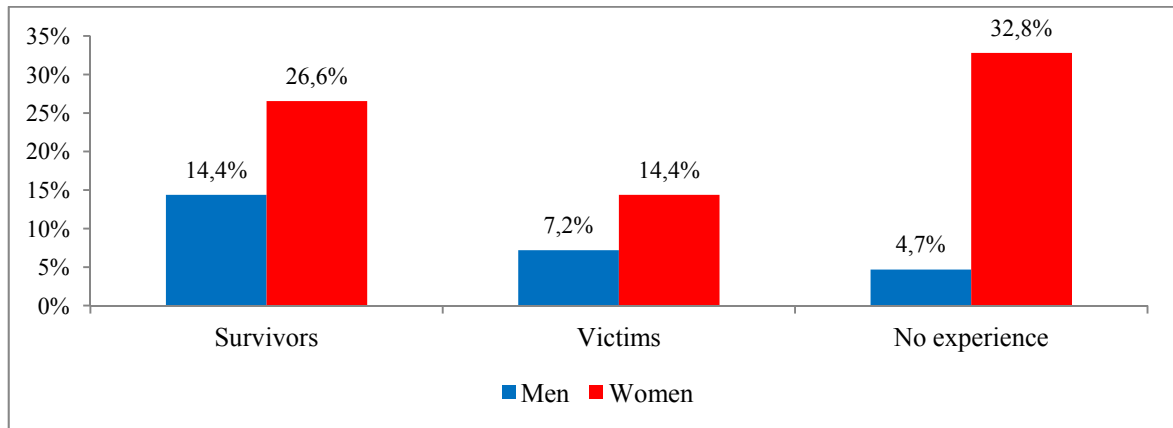


Figure 12: Distribution of participants between genders

To better understand the profile of the three groups (survivors, victims and those with no experience with layoffs) the information about their gender, age and whether they have children under the age of 18 living with them has been summed up in table 9. In this categorization 3 values were missing and therefore the total valid replies were 320.

Variable	Classification of variable	Survivors		Victims		No experience with layoffs	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Gender	Male	46	14,4%	23	7,2%	15	4,7%
	Female	85	26,6%	46	14,4%	105	32,8%
Age	20 and under	0	0,0%	2	0,6%	3	1,0%
	21 to 25	2	0,6%	0	0,0%	8	2,5%
	26 to 30	14	4,4%	3	1,0%	19	6,0%
	31 to 35	50	15,9%	26	8,3%	37	11,7%
	36 to 40	16	5,1%	11	3,5%	19	6,0%
	41 to 45	12	3,8%	12	3,8%	8	2,5%
	46 to 50	12	3,8%	5	1,6%	8	2,5%
	51 to 55	8	2,5%	3	1,0%	13	4,1%
	56 to 60	8	2,5%	4	1,3%	4	1,3%
	61 and over	6	1,9%	1	0,3%	1	0,3%
Children	Yes	80	25,4%	38	12,1%	82	26,0%
	No	49	15,6%	31	9,8%	35	11,1%

Table 9: Demographic profile of respondents divided by groups

The victims were also asked to state how often they were laid off in the past 4 years. Of those who were laid off, vast majority or 81.2% had been laid off once. Since there were so few that had been laid off twice or more often (7 individuals, 6.5%) it was decided to put them all together in one group with the ones that had been laid off once. Question 3 was only directed to those who had been laid off and asked about the industry the company that laid the individual off was operating in. Figure 13 shows that most laid off victims come from the banking/insurance industry or other financial institutions (41.7%). Those who answered with “other” came from a car-dealership, media, contractor-company and a museum. Although, most layoffs were in construction in 2008 – 2011 no participant in this study is a laid off employee from a construction company. The reason might be that the researcher knows many people that worked in bank industry and they are likely to have answered the questionnaire due to familiarity with the researcher.

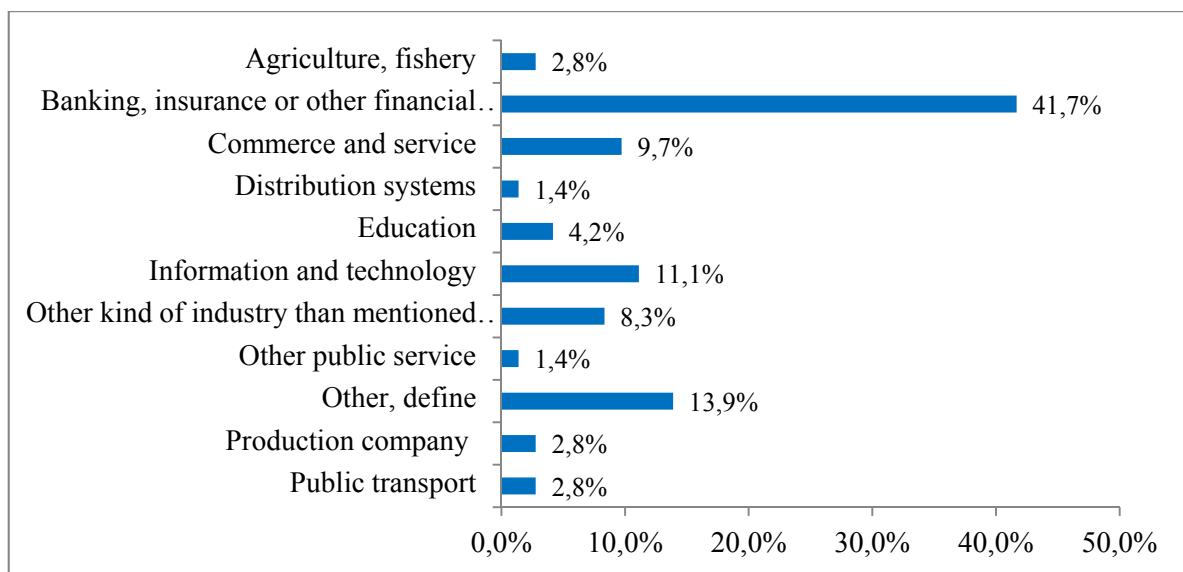


Figure 13: If you have been laid off, in what kind of industry did you work at that time?

To get a better sense of layoff contact experience, participants were asked if layoffs had occurred in their company and also if they had co-workers who lost their jobs. Of those who answered these questions vast majority or 86.53% had survived some kind of layoffs in their company and only 13.5% said that no layoffs had occurred in their company. Over 40% had also experienced layoffs of 10 coworkers or more which indicates that there were group-layoffs taking place but almost 39% had not experienced layoffs within their own department. Figures 14 and 15 show the results for these two questions.

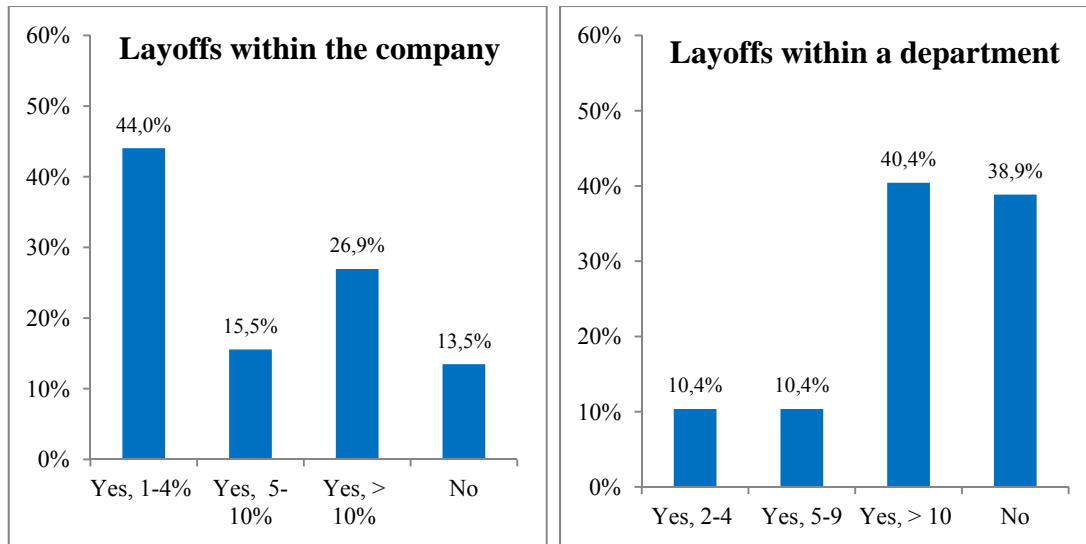


Figure 14: Percentage of layoffs within a company Figure 15: Number of layoffs of co-workers

Participants were also asked if they had at any point in the past four years received a warn notice that they might be laid off in next round of layoffs. It is assumed that receiving a warn notice or other personal contact with layoffs might increase job insecurity (Brockner et.al, 1987) and that will be analyzed in chapter 6.

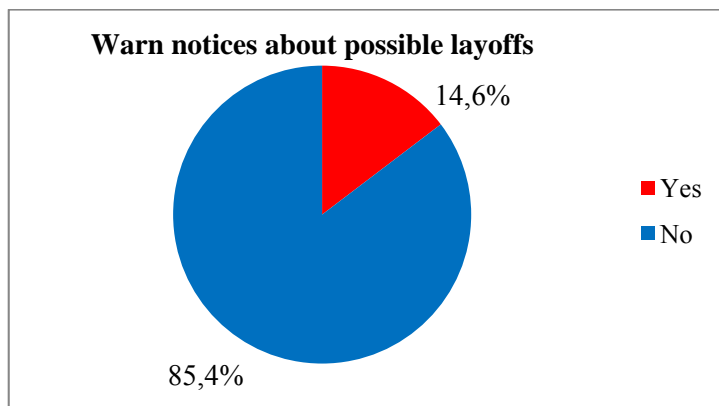


Figure 16: Have you received a warn notice that you might get laid off?

Like figure 16 shows, warn notices about a possible layoffs are not common among employees and only 14.6% (29 individuals) of those who answered this question had received such notice. These questions that formed chapter five were set forward to make a good profile of the respondents and how much experience they have with layoffs. They will be used in the next chapter to compare answers form survivors, victims and those with no experience to layoffs.

6 Analysis

In chapter six the demographic factors, which were laid out in chapter five, will be analyzed in correlation with the survivor sickness and demonstrated with the conceptual framework in figure 10. Responses from all the participants will be analyzed accordingly. Each survivor sickness will be analyzed and the hypotheses that were presented will be dealt with.

6.1 Introduction

There were three hypotheses put forward in the beginning of this thesis in correlation with a research question. A study was conducted to explore the behavior and attitudes of survivors of layoffs among Icelanders in the labor market. In this section the data from this study will be revealed and split into three parts according to the hypothesis. In general, the data will be analyzed with the demographic variable gender and also between victims and survivors to differentiate the answers from the survivors. Other demographic variables will be used to further analyze the answers.

6.1.1 Visual presentation

Tables and figures are used to show results of the questions with the applicable demographic factor. In the visual presentation, all the answers have been adjusted in that way that those who did not want to answer or thought the question was not applicable to them (NA) were removed and the total number of answers then reduced. Mean, Variance and standard deviation for each question will be stated and Chi-Square tests (χ^2) were used to verify significance and they will reflect the total answers for each question. Questions that showed statistical significance did so with either 90% or 95% level of significance, $\alpha = 0.1$ or $\alpha = 0.05$.

6.2 Sickness 1

Hypothesis 1: *Survivors will have experienced job insecurity*

Sense of perceived job insecurity

Job security is not as natural as it was many years ago when the psychological contract had a different meaning than it does today. Job security is very important for most people because it can be directly related to unemployment (Kim, 2003). In the present study participants were asked 5 questions concerning job security at their current workplace. The first 3 questions came from Kim's (2003) research on the impact of downsizing on layoff

survivors where job insecurity gets an important part. In Kim's research job security was measured before and after downsizing and the results were such that job insecurity increased after the downsizing had taken place. In the current study it is not possible to measure the effect before and after downsizing so difference between genders and between the three groups will be explored. Then it is possible to see if those who survived layoffs have different attitudes towards job insecurity. First, table 10 shows the valid number of answers (N), mean, standard deviation and variance for this category of questions.

Q16 - Q21	N	Mean	St.dev	Variance
I expect that I will be promoted/ have career opportunities within the next 12 months	322	3,10	1,32	1,75
I expect that my skills will be useful to the company in the next 12 months	322	1,52	0,77	0,60
I am confident that the company will need me as an employee in the next 12 months	322	1,50	0,72	0,52
I feel it is unlikely that the company I work for will resort to layoffs in the next 12 months	320	2,13	1,12	1,26
I feel it is unlikely that I will be laid off in the next 12 months	322	1,65	0,85	0,73
Suppose you were laid off. If so, how well do you think the assistance that management actually offered the laid off people would provide for your needs?	321	2,81	1,67	2,80

Table 10: Job insecurity, statistical analyzes of questions 16 - 21

For the first question, the most common answer was “neutral” wherein 28.2% of the participants answered that they neither “agreed” nor “disagreed” with this question. When the answers from the survivors are analyzed separately, it shows that their most common answer is also “neutral” (27.4%). 35.9% of the survivors “strongly agreed” and “agreed” with this question and 36.7% “strongly disagreed” and “disagreed”, making this question well distributed between all the response options. The answers from the victims were also well distributed between the response options and their most common answer was “neutral”. The difference for this question between these two groups was not significant ($p=0.577$) ($\chi^2= 2,888$). If this statement is looked at divided by gender, men tend to “agree” or “strongly agree” in 42.9% of the cases while women do the same in 32.2% of the cases. Women tend to “disagree” or “strongly disagree” more often or in 40.9% of the cases and men in 27.1% of the cases. Table 11 shows how the answers are divided between the genders.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	21,4%	21,4%	30,0%	12,9%	14,3%
Women	10,2%	22,0%	27,8%	16,6%	23,4%

Table 11: Expected career opportunities/promotion within the next 12 months

The difference between the genders is however barely not significant with 90% level of confidence ($p=0.107$) ($\chi^2=7,607$).

In the second question the participants were asked about their skills being useful to the company, there was a very high ratio for “agreeing” or “strongly agreeing” with the statement among all participants. Of those who took a stand in this statement 91.5% strongly agree or agree with it. When the answers from only the survivors were analyzed, it showed that their most common answer was “strongly agree” (60.7%) and 31.1% “agree” with this statement. The victims do “strongly agree” in 47.2% of the cases and “agree” in 45.3% of the cases. Table 12 shows the difference in answers from the victims and the survivors for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Victims	47,2%	45,3%	5,7%	0,0%	1,9%
Survivors	60,7%	31,1%	6,6%	1,6%	0,0%

Table 12: I expect that my skills will be useful to the company in the next 12 months

The difference between victims and survivors is not significant ($p=0.165$) ($\chi^2=6,490$). Looking at this statement divided by genders reveals that 63.3% of women “strongly agree” with this statement and 50.7% of men. Men tend to be more “neutral” than women (13.7% vs. 3.7%). Table 13 here below shows the difference in answers among men and women.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	50,7%	32,9%	13,7%	0,0%	2,7%
Women	63,3%	30,7%	3,7%	1,4%	,9%

Table 13: I expect that my skills will be useful to the company in the next 12 months

The difference between men and women is significant at 95% level of confidence ($p=0.013$) ($\chi^2=12,746$). Although these numbers indicate that both the men and women are confident about their skills being useful in the next 12 months women tend experience that

more than men and the difference is significant. This could mean that women feel that they are important employees in their workplace and their skills on the job are useful to the company/organization. In Kim's (2003) research questions one and two showed a negative correlation, meaning that after downsizing the respondents' expectation for career advancement and assessment of personal skills value declined. This suggested that survivors tend to concede their hopes for advancement and promotion after layoffs have taken place in the workplace, this could possibly indicate that participants may feel at risk of losing their jobs in the future. Note that Kim's research asked about next several years not the next 12 months like was done in the current study.

The third question in this category asked if the participants believed that the company they work for would need them as employees in the next 12 months. This question also showed a very high correlation with "strongly agree" and "agree" whereas 93.5% of those who took a stand in this statement either "strongly agreed" (59.9%) or "agreed" (33.7%) with it. When the answers from the survivors are analyzed, it shows that their most common answer is "strongly agree" (62.3%) and 32.8% also "agree" with his statement. This tells us that 95.1% of survivors are confident that the company they work for will need them as employees in the next 12 months. The victims however "strongly agree" in 41.8% of the cases and they tend to disagree more frequently than the survivors (5.5% vs. 0%). Table 14 here below shows the answers from the victims and the survivors.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Victims	41,8%	45,5%	5,5%	5,5%	1,8%
Survivors	62,3%	32,8%	4,1%	0,0%	0,8%

Table 14: I am confident that the company will need me as an employee in the next 12 months

This difference is significant with 95% level of confidence ($p=0.020$) ($\chi^2=11,642$). This could indicate that the victims still fear layoffs more than survivors because they have gone through this process personally before and they know the feeling. It could be that they are more vulnerable towards layoffs and still keep the memory of a previous layoff with them. These results also indicate that the survivors are feeling more secure about their position within the company they work for than the victims. If we look at this statement divided by gender, 53.4% of men "strongly agree" with it and 38.4% "agree" which amounts to 91.8%. Furthermore, 61.5% of women "strongly agree" and 32.6% "agree" with this statement

which amounts to 94%. Table 15 shows the answers from men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	53,4%	38,4%	6,8%	0,0%	1,4%
Women	61,5%	32,6%	3,7%	1,4%	,9%

Table 15: I am confident that the company will need me as an employee in the next 12 months

The difference between the genders is however not significant ($p=0.480$) ($\chi^2=3,484$). This indicates that both men and women feel secure that the company they work for will need them as employees in the next 12 months. In Kim's (2003) research this question did not reveal any difference in perception before and after the layoffs.

The fourth question in this category is derived from Brockner's (1992) research on job insecurity and asks the participants if they feel it is likely that the company they work for will resort to layoffs in the next 12 months. In Brockner's research, job insecurity is assessed as a perceived threat and it is analyzed in change to work effort. In the current study the question was used mainly to assess how the participant perceived the likeliness of future layoffs and then in the fifth question for this category the participants were asked to assess how likely they feel that they themselves will keep their job in the next 12 months.

Regarding question four, of those who took a stand in this question over 66% do not believe that the company they work for will resort to layoffs in the next 12 months. When the answers from the survivors are analyzed, it shows that their most common answer is "agree" (32%). The replies for this question are well distributed between the response options. 25.4% of the survivors "strongly agree" and 32% "agree", 24.6% are "neutral" in their answers and 18% "disagree" and "strongly disagree" with this statement. The answers from the victims are similar to the survivors although they tend to "strongly agree" (34.6%) more frequently than the survivors. Table 16 shows the answers from both the victims and the survivors.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Victims	34,6%	25,0%	25,0%	13,5%	1,9%
Survivors	25,4%	32,0%	24,6%	13,9%	4,1%

Table 16: Possible layoffs in the company in the next 12 months

The difference between these two groups is not significant ($p=0.699$) ($\chi^2=2,198$). Analyzing this question between genders revealed that 39.6% of women “strongly agree” with this statement against 29.2% of men. Table 17 shows the answers from men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	29,2%	33,3%	25,0%	9,7%	2,8%
Women	39,6%	27,2%	19,4%	10,6%	3,2%

Table 17: Possible layoffs in the company in the next 12 months

The difference between men and women for this question is not significant ($p=0.523$) ($\chi^2=3,214$).

The fifth question in the job insecurity category faces the opinion the respondents have about their own security in the workplace. Of those who took a stand in this question, majority of respondents “strongly agree” with this statement (53.6%) and together with the agree choice it is safe to say that respondents are confident that they will not be laid off in the next 12 months, because 86.6% either “strongly agree” or “agree” with this statement. 50% of survivors “strongly agree” with this statement and 35.2% “agree” which means that 85.2% of survivors are very confident that they will not be laid off in the next 12 months. Also, 86.6% of the victims either “strongly agree” or “agree” which indicates that both groups are confident they will not lose their jobs within the next 12 months. Table 18 shows the answers from both the victims and the survivors.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Victims	40,4%	46,2%	7,7%	3,8%	1,9%
Survivors	50,0%	35,2%	12,3%	,8%	1,6%

Table 18: Possible personal layoffs in the next 12 months

The difference between these groups is not significant ($p=0.342$) ($\chi^2=4,503$).

Over 86% of women “strongly agree” and “agree” with this statement and 87.5% of men, which indicates that a vast majority of both men and women do not fear personal layoffs in the next 12 months. Table 19 shows the answers from men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	43,1%	44,4%	8,3%	2,8%	1,4%
Women	56,5%	29,6%	11,1%	,9%	1,9%

Table 19: Possible personal layoffs in the next 12 months

The difference between men and women is not significant ($p=0.126$) ($\chi^2=7,188$). This question was also analyzed with age, children and job tenure but no significant difference was visible.

The final question in the job insecurity category is also derived from Brockner's research. With this question Brockner was aiming for perceived control which is influenced by survivors belief that they or the company that they work for can take some action to help them deal with the negative impact that stem from job loss (Brockner et al., 1992). It was suggested that those who showed low values in response to this question were unlikely to feel that the company would assist them or take action to help them cope with possible job loss and therefore job insecurity would be greater. In the current study respondents were asked the exact same question as in Brockner's study, with the response possibilities ranging from very much (1) to not at all (5). The result for this question reveals that most respondents believe that the management would provide well for their needs if layoffs would occur because 25.1% of those who took a stand in this statement answer „very much“ and 43.4% answer „much“. The survivors also generally say “very much” (29.1%) and “much” (36.8) to this statement and only 1.7% say “little”. The victims are not as convinced that their needs would be provided for because 40% of the victims are “neutral” in their replies but 36% say “much”. Only 12% answer with “very much” and 6% answer with “not at all”. Table 20 shows the answers from the victims and the survivors for the following question: *Suppose you were laid off. If so, how well do you think the assistance that management actually offered the laid off people would provide for your needs?*

	Very much	Much	Neutral	Little	Not at all
Victims	12%	36%	40%	6%	6%
Survivors	29%	37%	25%	8%	2%

Table 20: Perceived assistance from management if layoffs occur

The difference between the groups is significant with 90% level of confidence ($p=0.054$) ($\chi^2=9,319$). This indicates that the victims, who already have experienced layoffs, feel that

that the assistance that the management would offer them, if layoffs would occur, would not provide as well for their needs as the survivors feel about this question. The reason might be that the victims have already experienced layoffs and therefore they know how the previous employer/management team provided for their needs at that time and most likely they have that in mind when answering this question. When the answers are analyzed by gender, there is very little difference in replies from men and women. Table 21 shows the answers from men and women.

	Very much	Much	Neutral	Little	Not at all
Men	23,9%	43,7%	22,5%	7,0%	2,8%
Women	25,6%	43,1%	24,1%	5,1%	2,1%

Table 21: Perceived assistance from management if layoffs occur

The difference is between the genders is not significant ($p=0.964$) ($\chi^2=0.591$).

The literature review suggested that men might experience more job insecurity because they often feel more like “the head of the family” than women and therefore more threatened by possible job loss (Naswall & De Witte, 2003). There was only one question regarding job insecurity that revealed a difference between the genders and therefore is it not possible to make the assumption that men experience more job insecurity in their workplace than women. It was also suggested that age could be a significant factor when dealing with job insecurity. The questions concerning job insecurity were cross-examined with the demographic variable age to verify if significant difference could be found between ages of the participants. Analyzes revealed that significant difference could only be found with one question, namely the first question in this category that asked if the participants believed that they would be promoted or have career opportunities within the next 12 months. The answers for this question reveal that older people tend do “strongly disagree” and “disagree” more frequently than the younger people but these results are not surprising since generally they are ones that will soon be ending their working career and therefore not expecting that they will be having further career opportunities. The difference is significant with 95% level of confidence ($p=0.002$) ($\chi^2=66,371$). Here below in table 22 are the answers for this question divided between age groups. Other questions analyzed with age did not reveal any significant difference so according to these result it is not possible to say that age is a determinant factor concerning job insecurity.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
<20	0%	0%	80,0%	0%	20,0%
21-25	12,5%	0%	62,5%	0%	25,0%
26-30	20,0%	26,7%	23,3%	6,7%	23,3%
31-35	19,6%	21,7%	18,5%	21,7%	18,5%
36-40	9,3%	27,9%	34,9%	16,3%	11,6%
41-45	3,6%	32,1%	39,3%	7,1%	17,9%
46-50	17,4%	30,4%	21,7%	17,4%	13,0%
51-55	4,8%	4,8%	42,9%	14,3%	33,3%
56-60	8,3%	16,7%	8,3%	0%	66,7%
>61	0%	10,0%	20,0%	40,0%	30,0%

Table 22: Expected career opportunities/promotion within the next 12 months

All the questions concerning job insecurity were also cross analyzed with the question that asked whether or not the respondents had in any time received a warn notice that they might by laid off if the company had to resort to layoffs. No significant results came from that analyzes so it might indicate that receiving a warning notice does not affect job insecurity. Note that the sample is really small for those who had received a warn notice.

All the questions concerning job insecurity were then analyzed between victims, survivors and those who had no experience with layoffs to get a better feeling of how job insecurity affects those who have been laid off before and those who survived layoffs. All the questions concerning job insecurity were cross examined between the three groups and three of those questions showed significant difference between the groups at 95% level of significance ($\alpha=0.05$). Table 23 shows the answers that did reveal a significant difference from the groups.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 18	Victims	41,8%	45,5%	5,5%	5,5%	1,8%	0.01
	Survivors	62,3%	32,8%	4,1%	0,0%	,8%	
	No experience	64,9%	29,8%	4,4%	0,0%	,9%	
Question 19	Victims	34,6%	25,0%	25,0%	13,5%	1,9%	0.01
	Survivors	25,4%	32,0%	24,6%	13,9%	4,1%	
	No experience	50,4%	27,0%	14,8%	5,2%	2,6%	
Question 21	Victims	12,0%	36,0%	40,0%	6,0%	6,0%	0.02
	Survivors	29,1%	36,8%	24,8%	7,7%	1,7%	
	No experience	27,3%	54,5%	14,1%	3,0%	1,0%	

Table 23: Job insecurity, analyzed between the three groups.

For question 18, *I am confident that the company will need me as an employee in the next 12 months*, both survivors and those with no experience seem to “strongly agree” most frequently, the victims are more distributed between “strongly agree” and “agree” which could mean that they do not feel as confident in their workplaces as the other two groups. The value for Pearson Chi-Square is 19,814 for this question and the p-value is 0.01. Figure 17 shows the difference between the groups for question 18 better.

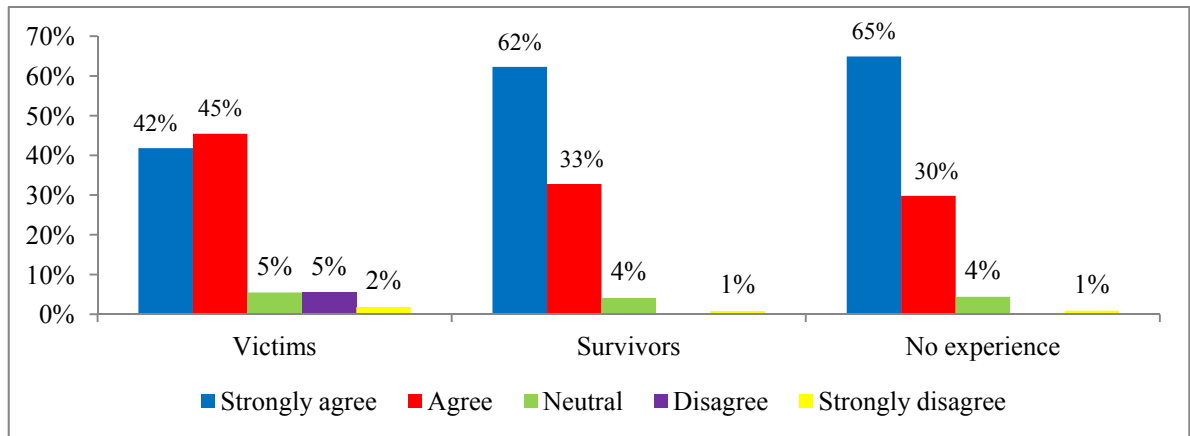


Figure 17: Confidence that the company will need me as an employee

Question 19 states *I believe that it is unlikely that more layoffs will occur in the organization in the next 12 months*. The results show that those who have no experience with layoffs “strongly agree” more frequently than the other groups, the reason might be that this group works in industries that have not had to lay off people despite the crisis and the employees feel that will not change in the nearest future. The value for Pearson Chi-Square is 19,814 and the p-value is 0.01 for this question. Figure 18 shows the difference between the groups for this question better.

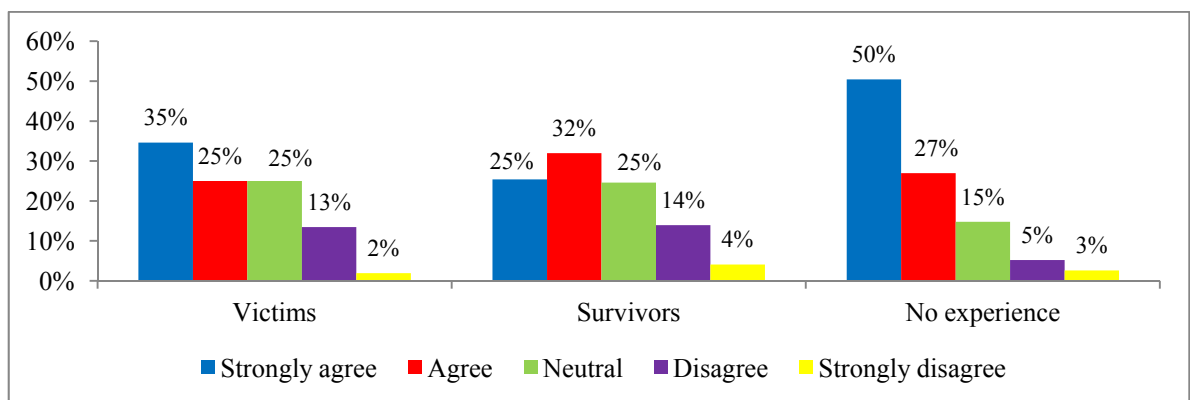


Figure 18: Perceived likelihood that more layoffs will occur in the organization

Question 21 states, *Suppose you were laid off. If so, how well do you think the assistance that management actually offered the laid off people would provide for your needs?* The results for this question reveal that the victims show much less tendency to choose “Very much” than the other groups. The value for Pearson Chi-Square was 24,503 and the p-value is 0.02 for this question. Figure 19 shows the difference between the groups for question 21 better.

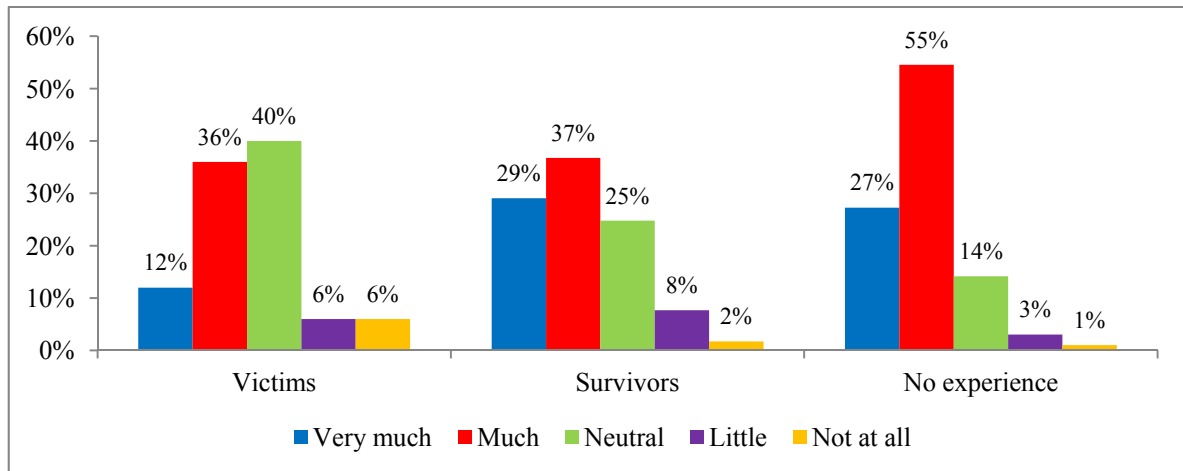


Figure 19: Perceived assistance from management if layoffs will occur in your workplace

Those with no experience with layoffs tend to choose „much“ most frequently. The victims however show that they are the ones that “disagree” and “strongly disagree” the most when computed together, although the difference for “strongly disagreeing” and “disagreeing” between the groups is not significant it might be possible that the victims have the worst experience with layoffs and therefore not as convinced that the management would provide well for their needs.

Finally, job insecurity was analyzed by the respondents’ companies operating industry to verify the answers from the respondents differ across sectors. Of the six questions asked only one of them showed a significant difference and that was question 19 that stated *I feel it is unlikely that the company I work for will resort to layoffs in the next 12 months* ($p=0.00$) ($\chi^2= 95,379$). The most common answer was “strongly agree” for this question but those who “strongly agree” the most come from the public transport industry, education, commerce/service and health care industry which means that the employees from these industries do not fear layoffs within their company/organization in the next 12 months.

Those who “strongly disagree” were very few but there was a visible difference in the answers for “disagree” were bank employees disagreed the most and those in the information and technology industries. This is interesting especially since layoffs have been profound in these industries in the past few years so there is a possibility that current employees within these sectors still fear more layoffs in the future. Table 24 shows the difference for question 19 between sectors.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Agriculture, fishery	33,3%	22,2%	22,2%	22,2%	0,0%
Construction	25,0%	0,0%	75,0%	0,0%	0,0%
Information and technology	25,9%	37,0%	22,2%	14,8%	0,0%
Education	60,5%	14,0%	14,0%	7,0%	4,7%
Health care	48,3%	20,7%	31,0%	0,0%	0,0%
Public service (Municipalities and public agencies.)	23,1%	46,2%	23,1%	7,7%	0,0%
Other public service	48,4%	45,2%	3,2%	3,2%	0,0%
Commerce and service	50,0%	22,7%	22,7%	4,5%	0,0%
Public transport	62,5%	25,0%	0,0%	12,5%	0,0%
Banking, insurance or other financial institutions	5,4%	27,0%	29,7%	32,4%	5,4%
Production company	15,0%	40,0%	40,0%	5,0%	0,0%
Other kind of industry than mentioned above	26,1%	43,5%	13,0%	13,0%	4,3%

Table 24: Possible layoffs in the company in the next 12 months

This concludes the part that is only connected to job insecurity and hypothesis number one. The questions about job insecurity have been examined with few variables and the results and the discussion for the hypothesis related to survivor sickness number one will be dealt with in chapter seven.

Other factors of the survivor sickness number one are decreased moral, lack of trust towards the organization/management and then job satisfaction and commitment. The results concerning the questions for these factors will now be analyzed.

Sense of survivor syndrome

There were two symptoms that made up the survivor syndrome and are therefore part of survivor sickness one, namely lack of trust and morale at the workplace. The literature review reflects commonly on these issues as one symptom of the survivor syndrome can be in the form of decreased level of morale in the workplace and trust towards management

(Cascio, 1993; Kinnie et al., 1998). In the current study participants were asked to state their opinion regarding these factors in their current workplace. The aim was to get a general picture of how survivors experience trust and moral in their current jobs compared to how it was after the economic crisis in 2008. First, table 25 shows the valid number of answers (N), mean, standard deviation and variance for the three questions that constitute this category.

Q22 - Q24	N	Mean	St.dev	Variance
I have experienced increased lack of trust towards my supervisors recently than I did ca. 4 years ago	323	3,38	1,36	1,85
I have experienced increased lack of trust towards the company I work for recently than I did ca. 4 years ago	323	3,44	1,28	1,65
I believe that the morale at my workplace is worse today than it was ca. 4 years ago	323	3,29	1,36	1,85

Table 25: Survivor syndrome, statistical analyzes of questions 22-24

The first question in this category asks about trust towards supervisors and the respondents generally “strongly disagree” with it, of those who took a stand in this question 30.2% “strongly disagree” but 21.7% are “neutral”. This question was also analyzed between men and women and the results show that women tend to “strongly disagree” (32.1%) more frequently than men (26.2%) while men tend to be more “neutral” than women in this sense because while men answered with “neutral” in 30.8% of the cases women only did the same in 18.4% of the cases. Table 26 shows the answers from men and women for the first question in this category.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	9,2%	20,0%	30,8%	13,8%	26,2%
Women	10,0%	21,1%	18,4%	18,4%	32,1%

Table 26: Lack of trust towards my supervisors

The difference between genders in this question is however not significant ($p=0.328$) ($\chi^2=4,627$). This question was also analyzed in relation to only survivors and they tend to “strongly disagree” and be “neutral” equally (26.1%) and they “agree” in 23.5% of the cases. To better analyze the survivors they were compared to the victims but the difference in their replies is not significant ($p=0.647$) ($\chi^2=2,490$). The victims however tend to “strongly agree” more frequently than the survivors. Figure 20 here below shows the answers from the victims and the survivors for this question.

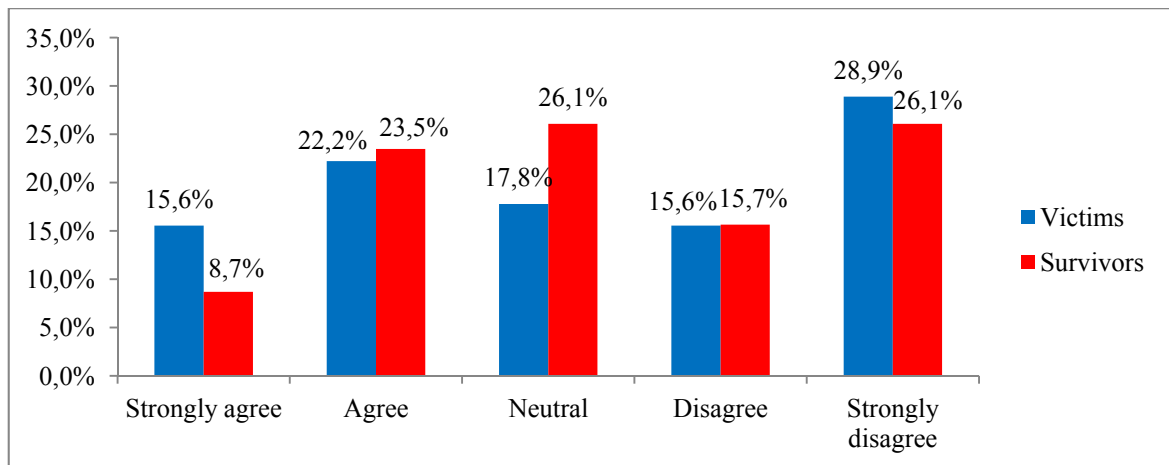


Figure 20: Lack of trust towards my supervisors

Question two in this category was very similar to the first one except respondents were asked about lack of trust towards the company the work for but not the supervisors. The results were very similar to the first question. Of those who took a stand in this question most respondents “strongly disagree” with this statement (27.8%). Women tend to strongly disagree (29.3%) while men tend to be more “neutral” regarding this statement (32.3%). Table 27 shows the answers from men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	10,8%	9,2%	32,3%	23,1%	24,6%
Women	8,4%	16,8%	23,6%	22,0%	29,3%

Table 27: Lack of trust towards the company

The difference between the genders is not significant ($p=0.405$) ($\chi^2=4,005$). This question was also analyzed in relation to survivors and when they are laid out with the victims’ answers they showed very similar results as the first question in this category. The difference between victims and survivors is however not significant ($p=0.837$) ($\chi^2=1,441$). Figure 21 here below shows the answers from the victims and the survivors for this question.

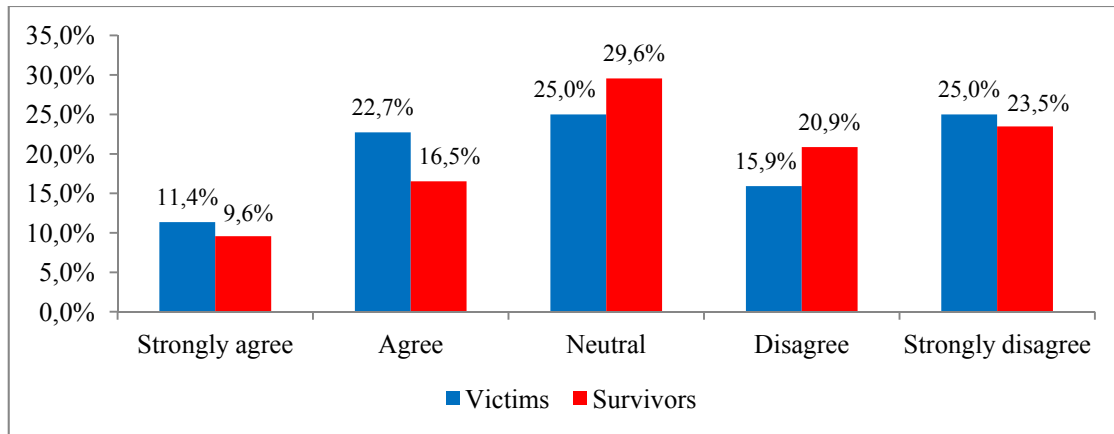


Figure 21: Lack of trust towards the company

The last question in the survivor syndrome category is about the morale in the workplace. Decreased morale is one of the consequences of downsizing and it can affect the organization deeply (Gandolfi & Hansson, 2011; Winston James & Li-Ping Tang, 1996). Participants were asked about the morale in their current workplace and if it had worsened in the past few years. Of those who took a stand in this question 25% “strongly disagree” but 22% both “disagree” and are “neutral” in this reply. The most common answer among the survivors is “disagree” (29.4%) but 21.1% of the survivors are “neutral” in their replies and 20.2% “agree” with this statement. The difference between the victims and the survivors is not significant ($p=0.240$) ($\chi^2=5,496$). Figure 22 here below shows the answers from the victims and the survivors for this question.

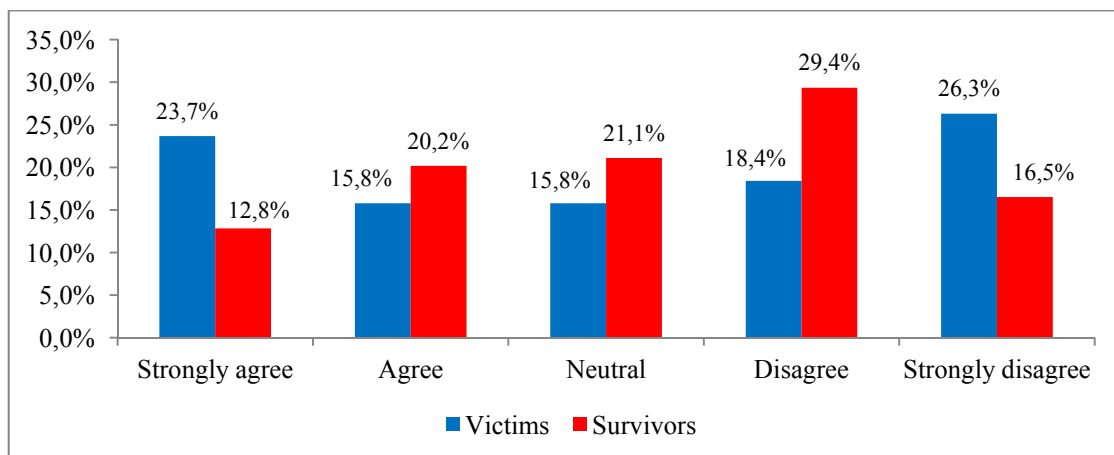


Figure 22: I believe that the morale at my workplace is worse today than it was 4 years ago

The final question in this category was also analyzed between men and women. Men tend to “strongly agree” and “agree” in 34.5% of the cases and women in 27.8% of the cases and

men tend to “strongly disagree” and “disagree” in 43.1% of the cases and women in 49.5% of the cases. Table 28 shows the answers from the genders for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	13,8%	20,7%	22,4%	22,4%	20,7%
Women	12,8%	15,0%	22,8%	22,8%	26,7%

Table 28: I believe that the morale at my workplace is worse today than it was 4 years ago

The results between the genders did not show any significant difference ($p=0.822$) ($\chi^2=1,528$).

Here below in table 29 is the difference between victims and survivors for all the questions in this category is summed up. Like said before did none of these questions show a significant difference between the groups with $\alpha=0.05$ or $\alpha=0.1$.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 22	Victims	15,6%	22,2%	17,8%	15,6%	28,9%	0.647
	Survivors	8,7%	23,5%	26,1%	15,7%	26,1%	
Question 23	Victims	11,4%	22,7%	25,0%	15,9%	25,0%	0.837
	Survivors	9,6%	16,5%	29,6%	20,9%	23,5%	
Question 24	Victims	23,7%	15,8%	15,8%	18,4%	26,3%	0.240
	Survivors	12,8%	20,2%	21,1%	29,4%	16,5%	

Table 29: Survivor syndrome, analyzed between victims and survivors.

Organizational commitment and satisfaction

This category of questions is the last part of survivor sickness 1. The literature review reflects on decreased satisfaction and commitment at the workplace as one of the consequences of layoffs (Williams et al., 2011). To test these features of the survivor syndrome the participants were asked eight questions related to this subject. The first three questions are all focusing on the same thing, that is how the respondent likes his/her job and they are derived from Grunberg’s and Anderson-Connolly research (Grunberg et al., 2000). First, table 30 shows the statistical analysis of the eight questions in this category.

Q25 - Q32	N	Mean	St.dev	Variance
All in all, I am very satisfied with my job	321	2,09	0,93	0,86
In general, I don't like my job	319	3,99	1,14	1,31
In general, I like working here	321	1,93	0,92	0,84
Most days, I am excited about my job	321	2,29	1,02	1,03
I would turn down another job with more pay in order to stay with this company	321	3,48	1,20	1,43
I feel like "one of the family" with the company I work for	319	2,47	1,15	1,32
I am very proud of my workplace	318	2,18	1,04	1,08
I have wanted to change jobs in the past few years	316	2,92	1,32	1,74

Table 30: Organizational commitment & satisfaction, statistical analyzes of questions 25-32

The second question is in a way the first question but reversed coded. The mean for the first question is 2.09 which would be "agree" and the mean for question two is 3.99 which would be "disagree" so they do reflect the mind of the respondents well. The third question follows the first question pretty well but the mean is a little less than in question one or 1.93. Generally, respondents like their workplace although they seem to be a little less satisfied with their jobs. These three questions were analyzed in relation to gender and table 31 reflects how the genders answered these questions.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 25	Men	28,8%	53,4%	12,3%	4,1%	1,4%	0.704
	Women	24,5%	51,4%	13,2%	8,6%	2,3%	
Question 26	Men	5,4%	2,7%	13,5%	45,9%	32,4%	0.008
	Women	3,7%	11,9%	11,0%	27,5%	45,9%	
Question 27	Men	32,4%	51,4%	12,2%	4,1%	0,0%	0.498
	Women	36,8%	42,3%	12,7%	5,9%	2,3%	

Table 31: Job satisfaction analyzed by genders.

When these results are examined it shows that the difference between the genders is significant with 95% level of confidence ($p=0.008$) ($\chi^2=13,779$) for question 26 which stated: *In general, I don't like my job*. Men "disagree" and "strongly disagree" in 78.3% of the cases and women in 73.4% of the cases. Although the difference between men and women does not seem great, women agree and strongly agree in 15.6% of the cases while

men do the same in 8.1% of the cases. This could indicate that, women tend to dislike their jobs more than men also and the reason might be the job itself or some other factors that contribute to these feelings.

All the questions were also analyzed between victims and survivors and table 32 shows how the answers are divided. The result imply that survivors are more satisfied in their current jobs and they also like their workplace more than the victims and when they are asked to state their mind about *In general I don't like my job* (question 26), survivors both “disagree” and “strongly disagree” more frequently than victims, but the difference is however not significant. The difference between the victims and the survivors for both question 25 (*All in all, I am very satisfied with my job*) and question 27 (*Most days, I am excited about my job*) is significant at 95% level of confidence like table 32 shows. This is quite interesting since research has shown that survivors have shown more discomfort at the workplace than the victims e.g. in Ásta Snorraddóttir's newly research on bank employees (Ásta Snorraddóttir & Margrét Þorvaldsdóttir, 2011).

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 25	Victims	23,6%	41,8%	12,7%	14,5%	7,3%	0.034
	Survivors	24,6%	54,9%	13,9%	5,7%	,8%	
Question 26	Victims	11,1%	9,3%	11,1%	31,5%	37,0%	0.358
	Survivors	3,3%	9,8%	10,7%	34,4%	41,8%	
Question 27	Victims	35,7%	33,9%	10,7%	14,3%	5,4%	0.020
	Survivors	32,0%	50,8%	12,3%	4,1%	,8%	

Table 32: Job satisfaction analyzed by victims and survivors

The final question from Grunberg's research deals with commitment to current workplace. In this particular question participants were asked if they would turn down a better paid job to stay with the current employer. The most common answer to this statement is „disagree“ whereas 29.2% of those who took a stand in this question used that reply. When the answers are analyzed by gender it shows that women tend to „disagree“ (30.7%) and „strongly disagree“ (24.7%) more frequently than men because men “disagreed” in 26% of the cases and “strongly disagreed” in 17.8% of the cases. Men, on the other hand, tend to „strongly agree“ (11%) and „agree“ (15.1%) more frequently than women. Women “agreed” in 13% of the cases and “strongly agreed” in 6% of the cases. The difference

between the genders however is not significant ($p=0.418$) ($\chi^2=3,911$) for this question. This question was also analyzed between victims and survivors like figure 23 shows.

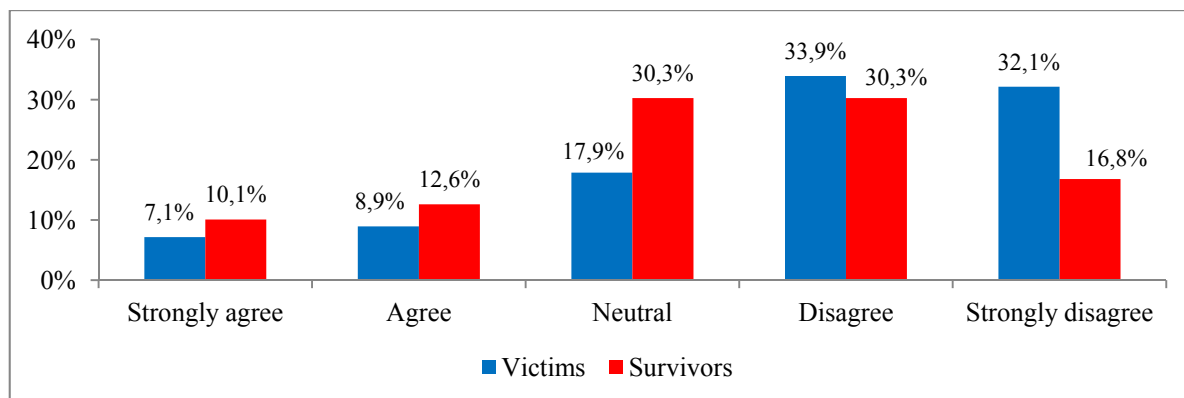


Figure 23: I would turn down another job with more pay in order to stay with this company

The victims tend to „disagree“ and „strongly disagree“ more frequently than the survivors in this question. Although the difference is not significant with $\alpha=0.05$, ($p=0.120$) ($\chi^2=7,325$) the results imply that the survivors are more committed to their employers than the victims (without taking any other variables into consideration).

There were three questions concerning commitment derived from Arney Einarsdóttir's and Ásta Bjarnadóttir's research. In their research, which focused on the private sector and public sector in relation to attitudes and job-related behaviors in the Icelandic labor market, commitment showed more positive change between years than other factors like organizational support, procedural justice and optimism (Arney Einarsdóttir & Ásta Bjarnadóttir, 2010). In the current study the same questions were analyzed in relation to gender and also between victims and survivors. Table 33 shows the difference between the genders.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 28	Men	18,9%	45,9%	32,4%	2,7%	0,0%	0.004
	Women	23,2%	42,7%	17,3%	12,7%	4,1%	
Question 30	Men	18,1%	33,3%	22,2%	23,6%	2,8%	0.021
	Women	22,3%	38,1%	22,3%	9,3%	7,9%	
Question 31	Men	28,4%	35,1%	24,3%	8,1%	4,1%	0.638
	Women	28,3%	41,6%	21,5%	4,1%	4,6%	

Table 33: Organizational commitment analyzed between genders

Question 28 states: *Most days I am excited about my job* and men tend to “strongly agree” and “agree” more frequently than women, women tend to both “disagree” and “strongly disagree” more frequently than men. This difference between the genders is significant ($p=0.004$) ($\chi^2=15,102$) at 95% level of confidence. This means that men in general are more excited about their jobs than women. Question 30 states *I feel like “one of the family” with the company I work for* and it turns out that the most common answer for both genders is “agree” and almost the same amount of men and women feel “neutral” towards this question. Men, however, tend to “disagree” more frequently than women and women tend to “strongly disagree” more frequently than men. This difference in answers between the genders is significant ($p=0.021$) ($\chi^2=11,510$) with 95% level of confidence. Women tend to feel more like one of family in their workplace than men maybe because many of them are mothers and it is generally in the hands of the mother to keep the family together. Question 31 states *I am very proud of my workplace* and the genders tend to see eye to eye on that question. The most common answer for both genders is “agree” and in general do both men and women tend to be proud of their workplace. The difference is not significant ($p=0.638$) ($\chi^2=2,535$).

These three questions were also analyzed between victims and survivors. Table 34 shows the difference in answers from victims and survivors.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 28	Victims	19,6%	35,7%	17,9%	12,5%	14,3%	0.000
	Survivors	25,4%	41,0%	26,2%	7,4%	0,0%	
Question 30	Victims	16,4%	30,9%	27,3%	12,7%	12,7%	0.424
	Survivors	21,0%	31,9%	25,2%	16,8%	5,0%	
Question 31	Victims	25,0%	32,1%	25,0%	7,1%	10,7%	0.378
	Survivors	27,3%	37,2%	26,4%	5,8%	3,3%	

Table 34: Organizational commitment analyzed between victims and survivors

From these results it is clear the survivors are more excited about their jobs than the victims. The difference is significant ($p=0.00$) ($\chi^2=20,501$) with 95% level of confidence. The reason could be because the survivors have not been forced to change jobs in the past four years while the victims, who have the layoff experience, might have had to accept jobs that they are not satisfied with. The other questions do not show significant difference

between victims and survivors but there is hint that survivors feel more like *one of family* at their current workplace since 21% of survivors answered question 30 with “strongly agree” but only 16.4% of victims do the same. The victims “disagree” and “strongly disagree” in 25.4% of the cases whereas 21.8% of survivors do the same. The difference is not significant ($p=0.424$) ($\chi^2=3,867$). Both the victims and the survivors tend to be equally proud of their workplace although the survivors tend to “agree” and “strongly agree” more frequently than the victims.

Question 32 states *I have wanted to change jobs in the past few years*. The results for this question were analyzed by gender, victims and survivors and between industries. Figure 24 shows the difference in answers between genders.

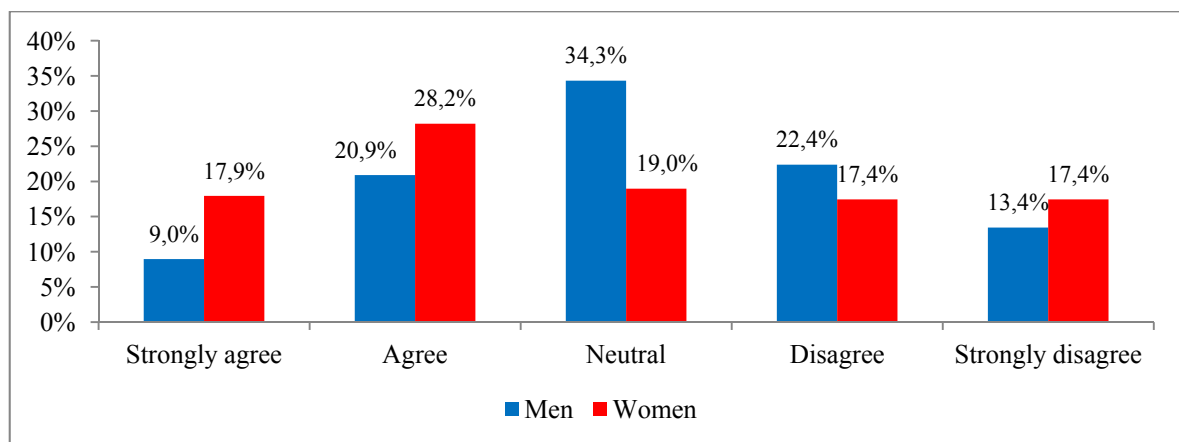


Figure 24: I have wanted to change jobs in the past few years

The figure shows that women tend to “strongly agree” and “agree” more frequently than men and men tend to be more neutral towards this question. The difference between the genders is significant ($p=0.043$) ($\chi^2=9,863$) with 95% level of confidence. There can be many reasons why women have wanted to change jobs more frequently than men in the past few years and it since women do generally have 17% lower salaries than men (Verzlunarmannafélag Reykjavíkur, 2011) is possible that they have had to accept lower paid jobs that do not satisfy them as employees. When the answers are analyzed between victims and survivors the difference was however not significant ($p=0.315$) ($\chi^2=4,739$). Table 35 here below shows the answer from the victims and the survivors for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Victims	26,1%	28,3%	17,4%	15,2%	13,0%
Survivors	12,3%	31,6%	22,8%	19,3%	14,0%

Table 35: I have wanted to change jobs in the past few years

The most common answer from the victims was “agree” (28.3%) and it was also the most common answer among survivors that agreed in 31.6% of the cases. The victims however strongly agreed in 26.1% of the cases while the survivors did the same in 12.3% of the cases.

The companies’ industry sector was also analyzed with this question and those who answered “strongly agree” most frequently worked in the service and commerce, public service and those who most frequently “agreed” worked in public transport and a production company. Those who most frequently “strongly disagreed” worked in construction and public transport. The difference between the industry sectors is not significant ($p=0.756$) ($\chi^2=37,203$).

This concludes the results for this factor of survivor sickness 1 and discussion about the findings will be dealt with in chapter seven.

6.3 Sickness 2

Hypothesis 2: *Survivors will show signs of guilt towards the laid off victims*

Sense of guilt towards layoff victims

The literature review suggests that survivors might experience sense of guilt towards the layoff victims. This could occur if the survivors belief that the layoffs were unfairly handled or if they had coworkers or close friends working with them that were laid off (Gandolfi, 2008). This category asked the survivors and the victims three questions. The statistical analyzes for these three questions can be viewed in table 36. The table shows the valid number of answers (N), mean, standard deviation and variance for this category of questions and also how many survivors answered each question.

Q10 - Q12	N	Mean	St.dev	Variance	Survivors (count)
I had good friends/coworkers at the workplace that lost their jobs during layoffs	200	2,58	1,25	1,57	118
I have experienced guilt within me because my coworker was laid off but I was not.	199	3,62	1,29	1,67	112
I have experienced anger towards the organization that did lay off people that worked closely with me.	200	3,41	1,36	1,84	112

Table 36: *Sense of guilt towards layoff victims, statistical analyzes of questions 10 – 12*

It has been put forward in previous research that survivors react more negatively towards layoffs in the workplace if they felt close to their coworkers who were laid off (Brockner et al., 1992). To measure prior attachment to layoff victims the participants were asked if they had coworkers or friends at the workplace that lost their job. 49% either “strongly agreed” or “agreed” with this question and then the answers were analyzed between genders. Both men and women have had good friends or coworkers that lost their jobs in layoffs. 52.3% of men either “strongly agree” or “agree” with this statement compared to 56.7% of women.

Participants were then asked if they had experienced feelings of guilt towards the laid off victims and the answers from the survivors and the victims are viewable in figure 25.

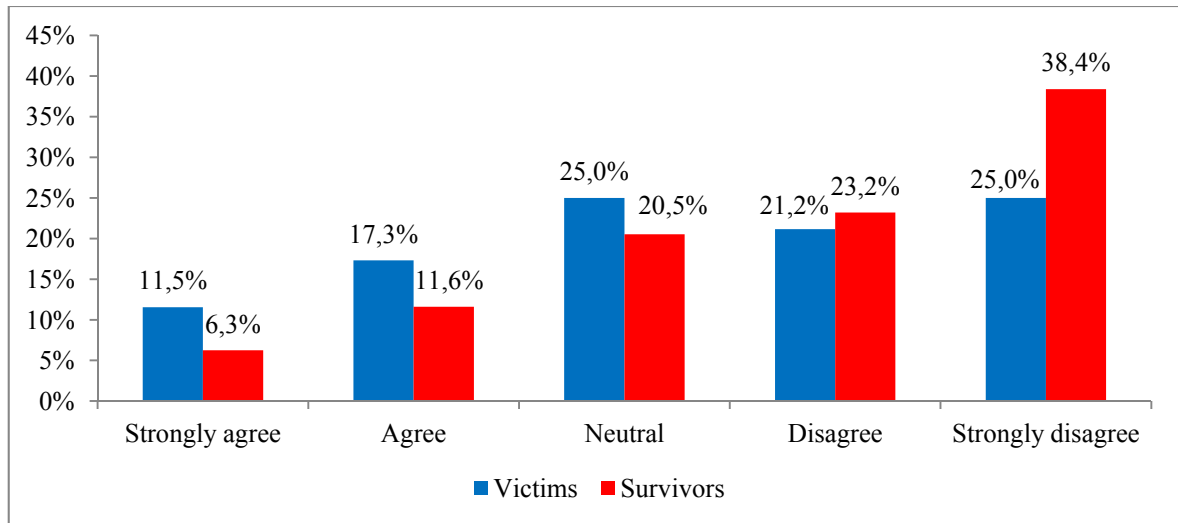


Figure 25: I have experienced guilt within me because my coworker was laid off but I was not

The survivors generally “strongly disagree” and “disagree” with this statement, whereas 61.6% answer that they have not experienced these feelings. When compared to the victims it shows that they “strongly agree” and “agree” more frequently than the survivors. The difference between these two groups is not significant ($p=0.358$) ($\chi^2=4,368$) but it indicates that survivors have not experienced guilt towards those who were let go from the downsized organization. When this question was analyzed between genders it showed a significant difference ($p=0.092$) ($\chi^2=8,000$) with 90% level of confidence. Women tend to “strongly agree” and “agree” much more than men. The table below shows the difference and there is it clear that men tend to “strongly disagree” much more than women. This indicates that women in the workplace tend to feel more for the ones who are let go and tend to feel guiltier than men that they were the ones who survived the layoffs and not the laid off victims.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	1,8%	12,5%	16,1%	26,8%	42,9%
Women	11,1%	13,9%	25,0%	20,4%	29,6%

Table 37: Perceived guilt because my coworker was laid off but I was not

The question about guilt towards the victims was also cross examined with the questions whether or not the participants had survived layoffs within the company they work for and/or within their own department. The results that came from this analyzes did not show that those who had survived layoffs within their company or their department were

experiencing more guilt towards the laid off victims. To be able to cross examine the question concerning guilt with the question that asked if participants had good friends or coworkers that lost their jobs in layoffs, all the participants that answered with “strongly agree” and “agree” were filtered out and cross examined. No significant results came from that analyzes ($p=0.106$) ($\chi^2=14,500$), which indicates that participants have not experienced guilt towards the victims of layoffs even though they have had friends or coworkers that lost their jobs.

The final question asks if the participants have experienced anger towards the organization that did lay off people that worked closely with them. This question was analyzed between victims and survivors and there is a considerable difference in answers from these two groups. The literature review suggests that anger is one of the feelings the survivors commonly experience but when the numbers are analyzed, the victims do “generally agree” and “strongly agree” with this statement. The survivors tend to “strongly disagree” and “disagree” in 58% of the cases. The difference between the two groups is significant at 95% level of confidence ($p=0.043$) ($\chi^2=9,866$). Figure 26 shows the different answers from the victims and the survivors.

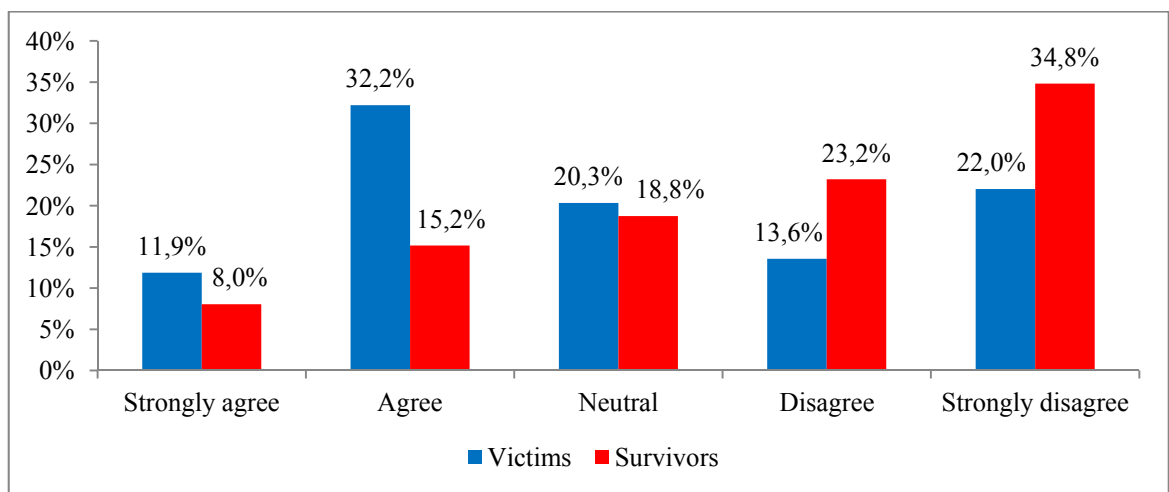


Figure 26: Anger towards the organization that did lay off people that worked closely with me

Sense of Layoff Justice

Based on the literature review, perceived layoff justice can provoke anger and fear among survivors but most commonly that happens if the survivors feel that the downsizing procedures are unfairly handled (Brockner et al., 1985). To deal with this factor,

participants were asked 3 questions. The statistical analyzes for these three questions can be seen in table 38.

Q7 - Q9	N	Mean	St.dev	Variance	Survivors (count)
During the last major round of layoffs, the procedure that the company used to select those who were let go was fair.	200	2,82	1,33	1,76	125
During the last major round of layoffs, the company treated those who were let go very well	200	2,76	1,29	1,67	122
The reasons for the layoffs were clearly explained to me and other employees	200	2,76	1,29	1,67	123

Table 38: Sense of layoff justice, statistical analyzes for questions 7-9

Analyses were made between victims and survivors, since they were the groups that answered these questions. The first question asks respondents whether they believe that the company acted fairly in selecting those who were laid off. Of those who took a stand in this statement over 50% of survivors “strongly agreed” and “agreed” while over 36% of victims felt the same. The difference between the victims and the survivors regarding this statement is significant at 95% level of confidence ($p=0.005$) ($\chi^2=14,686$). Figure 27 shows the difference between victims and survivors.

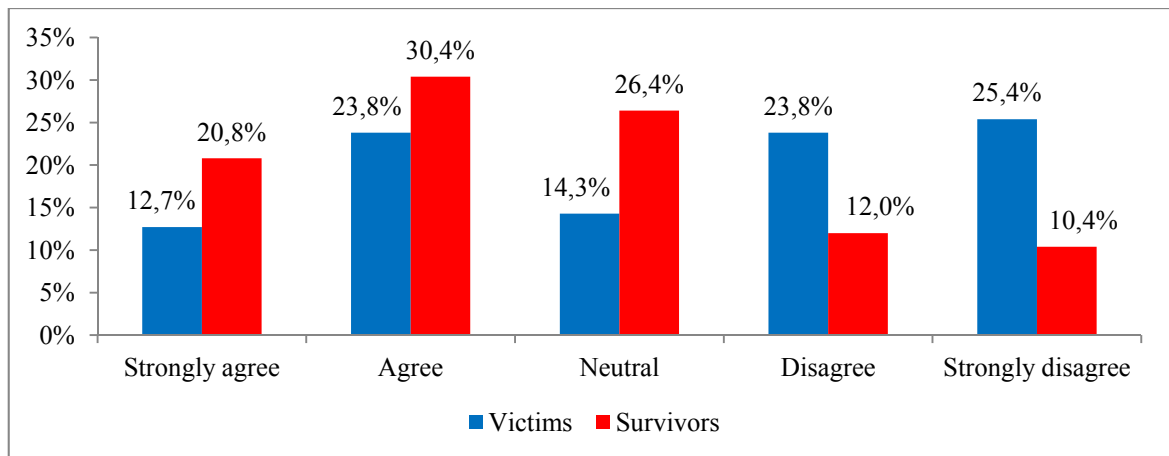


Figure 27: Selection of those who were laid off was fair

The figure above shows that the survivors generally sense that the company/organization used a fair approach in selecting those who let go. The Victims however did not feel the same and tended to “strongly disagree” and “disagree” more frequently than the survivors.

This indicates that the victims were not satisfied with being laid off and feel that the company did not execute procedure fairly.

This question was also analyzed between men and women but it did not show any significant difference ($p=0.700$) ($\chi^2=2,195$). Men however, tended to “strongly agree” more frequently than women and women tended to strongly disagree more frequently than men. Table 39 shows the answers from men and women regarding this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	22,1%	27,9%	20,6%	17,6%	11,8%
Women	15,8%	28,3%	23,3%	15,0%	17,5%

Table 39: the procedure that the company used to select those who were let go was fair

In Grunberg’s and Anderson-Connelly research, perceived unfairness was assumed to have more negative effect on lower level employees but in that research the interaction between those two factors was quite small and statistically insignificant. To compare these results to the current study, organizational position was cross-examined with question 7, which stated: *During the last major round of layoffs, the procedure that the company used to select those who were let go was fair.*

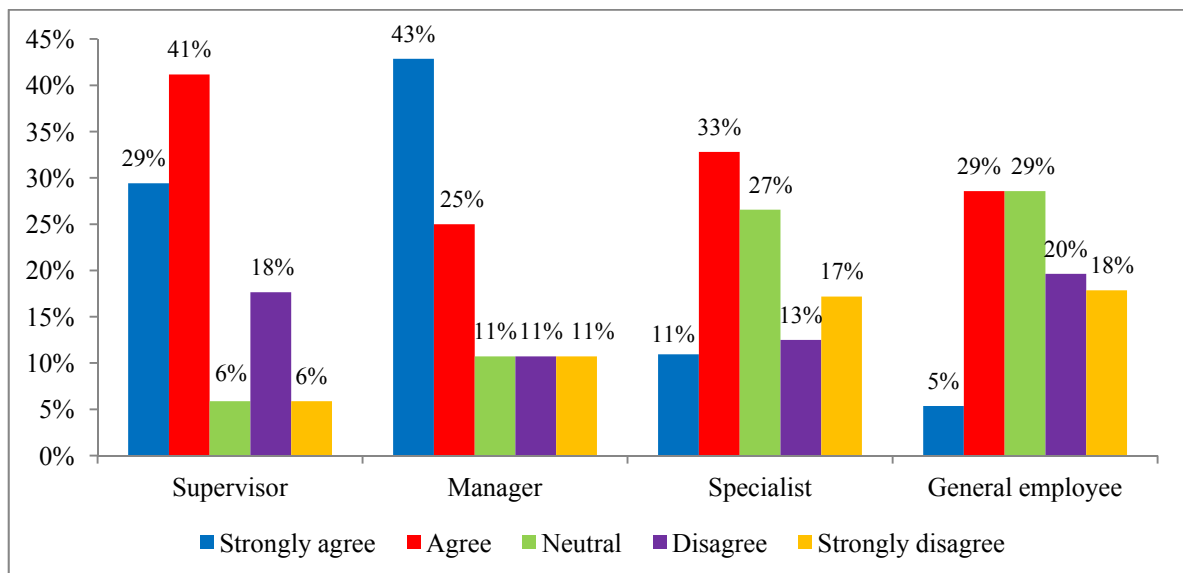


Figure 28: Selection of those who were laid off was fair

Figure 28 shows the distribution of answers from the respondents divided by their organizational position. Supervisors or those that manage people “strongly agree” and

“agree” in over 70% of the cases while, for example, the general employees do the same in 33.9% of the cases. The difference is significant at 95% level of confidence ($p=0.005$) ($\chi^2=34,587$).

The second question asks if the company treated those who were let go well. Both the survivors and the victims seem to “strongly agree” or “agree” with the statement that the victims were fairly treated. However, the victims show equal results in “agreeing” and “strongly disagreeing” with this question. The victims tend to “strongly disagree” more frequently than the survivors which could indicate that the victims did not feel they were well treated when they were laid off. Figure 29 shows the answers from victims and survivors regarding this question: *During the last major round of layoffs, the company treated those who were let go very well.*

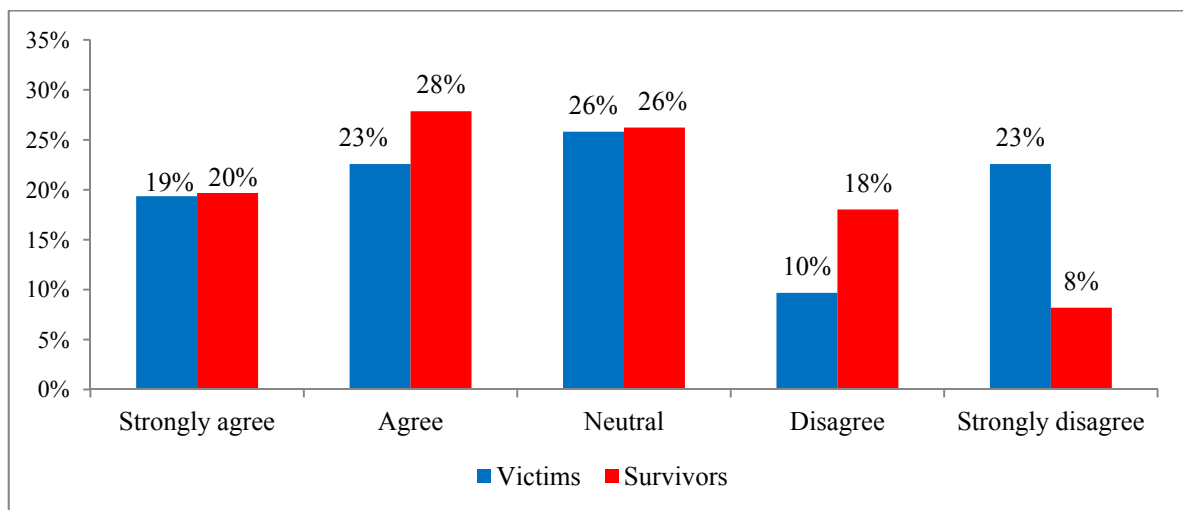


Figure 29: The victims were well treated by the company during layoffs

The difference between the victims and the survivors is significant at 90% level of confidence ($p=0.065$) ($\chi^2=8,852$). This question was also cross examined with the demographic variable gender that showed very similar results. Women “agreed” and “strongly agreed” in 48.6% of the cases and men in 41% of the cases. That difference was not significant ($p=0.475$) ($\chi^2=3,518$). When this question was analyzed by organizational position there was however a significant difference ($p=0.005$) ($\chi^2=28,260$). Figure 30 here below shows how the answers are divided between the organizational positions for this question.

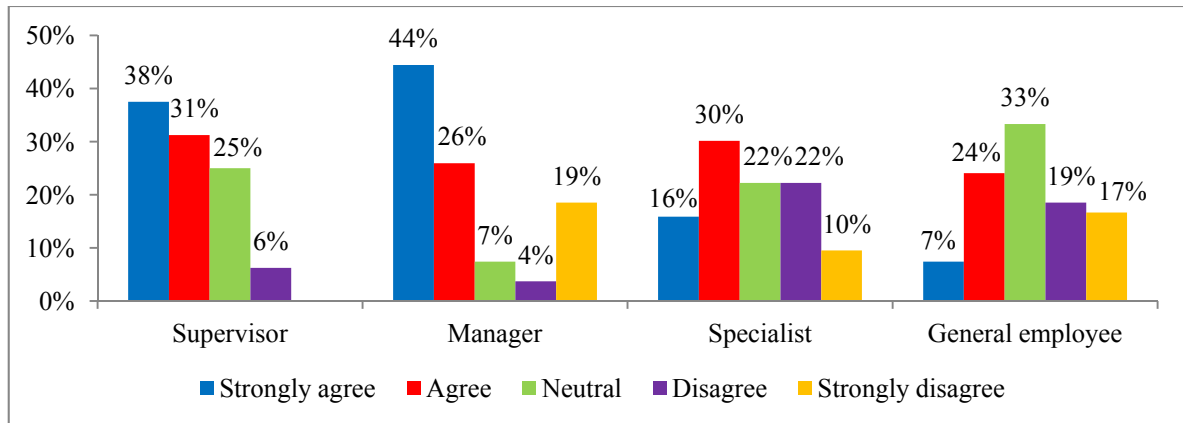


Figure 30: The victims were well treated by the company during layoffs

Supervisors and managers tend to “strongly agree” most frequently but the managers also “disagreed” most frequently. The general employees are most frequently “neutral” in their responses to this question. This indicates that those who rank the highest in the organizational ladder feel that the victims were well treated when they were laid off and it is likely that the supervisors/managers were the ones that executed the layoffs. The general employees are the ones that most frequently “disagree” and “strongly disagree” with this question and it is likely that this group were the ones that lost their jobs in the group layoffs after the bank/economic crisis.

The third question used in this category to measure fairness of layoffs asks the respondents whether the reasons for the layoffs were clearly explained to them.

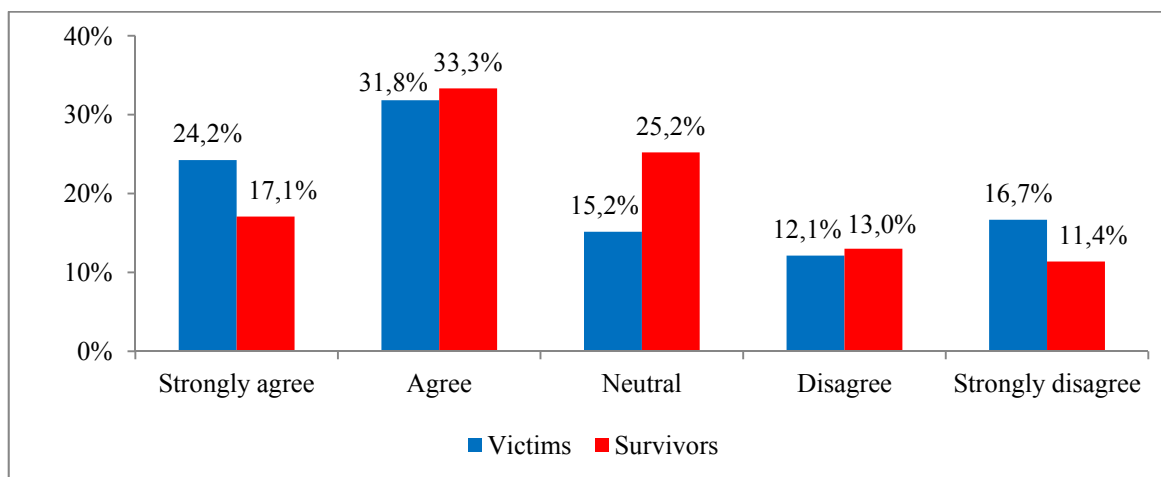


Figure 31: The reasons for the layoffs were clearly explained to me and other employees

From figure 31 it shows that companies seem to have explained the reasons for the layoffs well to their laid off employees since 56% of victims “strongly agree” or “agree” with this statement. The survivors show similar results but over 50% of the “survivors strongly agree” or “agree” with this statement. That difference was not significant ($p=0.394$) ($\chi^2=4,092$). This question was also analyzed by genders but no significant difference appeared ($p=0.877$) ($\chi^2=1,209$). Analyzes were also made with this question and organizational position and like in the other questions there was a significant difference ($p=0.057$) ($\chi^2= 17,585$) with 90% level of confidence. These results indicate that the supervisors generally feel that the reasons for the layoffs were well explained more than the other groups. The general employees tend to “strongly disagree” with this statement. The reason could be that the supervisors were the ones that announced or executed the layoffs and therefore they feel that their own work was well performed. Figure 32 shows how the answers are divided between the organizational positions.

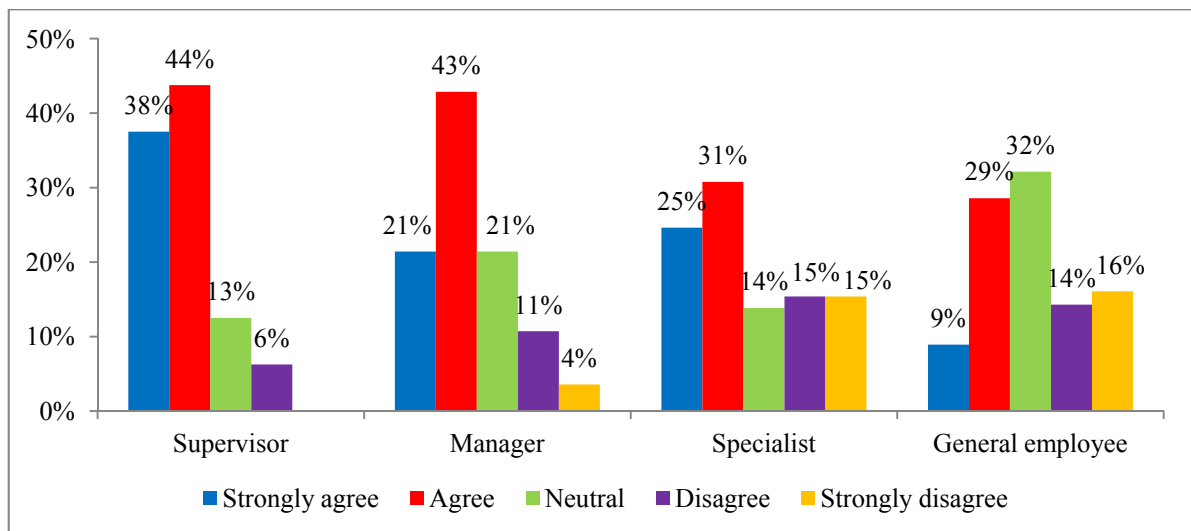


Figure 32: The reasons for the layoffs were clearly explained to me and other employees

This concludes analyzes for survivor sickness number 2. Discussion about results and hypothesis will be dealt with in chapter seven.

6.4 Sickness 3

Hypothesis 3: *Survivors will have experienced envy towards the laid off victims*

Sense of envy towards layoff victims

The idea about envy towards the layoff victims is based on the literature review but no particular research was used to follow this factor. It has been reasoned that survivors may experience sense of envy towards the layoff victims especially if they know that the victims are receiving retirement packages, financial benefits or new jobs with more and better compensation (Gandolfi, 2008; Kinnie et al., 1998) and to verify if Icelandic employees have experienced these feeling they were asked three questions concerning this factor that were especially made for this study. First, table 40 below shows the number of valid answers (N), mean, standard deviation and the variance for these three questions. The number of valid answers from survivors is also counted for.

Q13-15	N	Mean	St.dev	Variance	Survivors (count)
I have had to take on more work because my coworkers were laid off and their assignments got transferred to the remaining employees	200	2,79	1,37	1,89	121
In the past 4 years I have experienced that I just as well would have liked to be one of the laid off employees instead of staying with the downsized company	199	4,01	1,25	1,56	124
It has happened (at any point in the past 4 years) that I have considered those who were laid off lucky to be gone	200	4,03	1,15	1,33	124

Table 40: Sense of envy towards layoff victims, statistical analyzes of questions 13-15

The first question asks if respondents had to take on more work due to layoffs of coworkers because it has been put forward that survivors have increased job demands at the downsized workplace (Dragano et al., 2005). Then mean for this question is 2.79 and the most common answer was “agree”. Responses from survivors and victims were used to analyze the survivors for this question. Scarcely 50% of the survivors “strongly agree” or “agree” with this statement but the victims do the same in 48.1% of the cases. Total number of responses for this question was 200. The survivor respondents were 121 after those who did not state their opinion (NA) were taken out, the other came from victims. Figure 33

shows the different response from victims and survivors, the difference is not significant ($p=0.804$) ($\chi^2=1,625$).

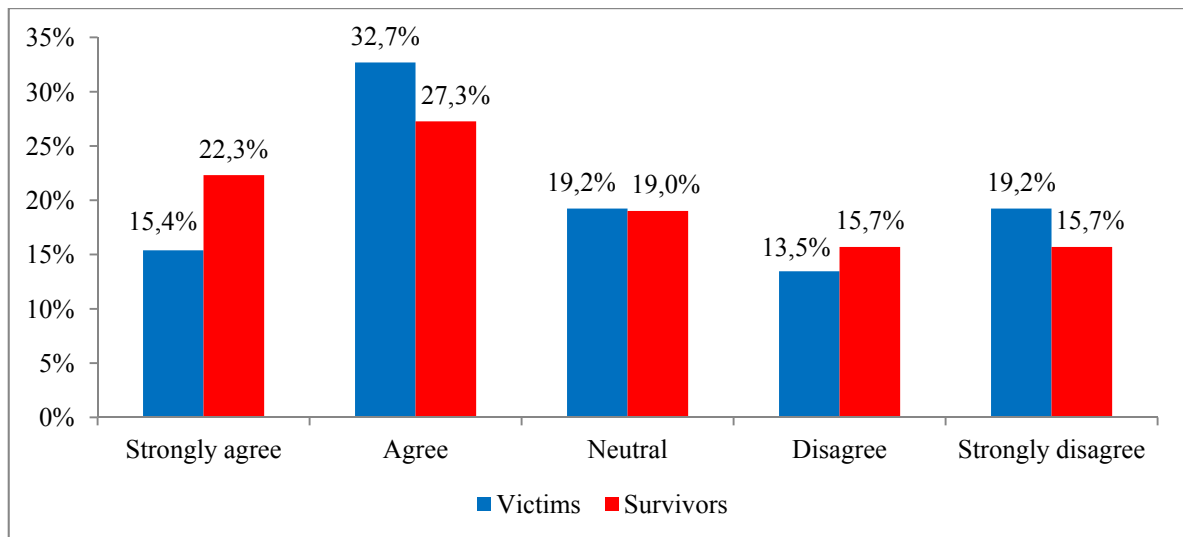


Figure 33: Increased workload due to layoffs of coworkers

When the answers were analyzed by job tenure (figure 34) it is evident that those who have worked 4 years or more were those who most frequently “agreed” or “strongly agreed” with this statement (56%). Those who worked for 1 year or less also “agreed” and “strongly agreed” in 45% of the cases. The difference within the job tenure is not significant ($p=0.678$) ($\chi^2=12,929$). Other variables (gender, age) were cross examined with this question but no determinant results came from that analysis.

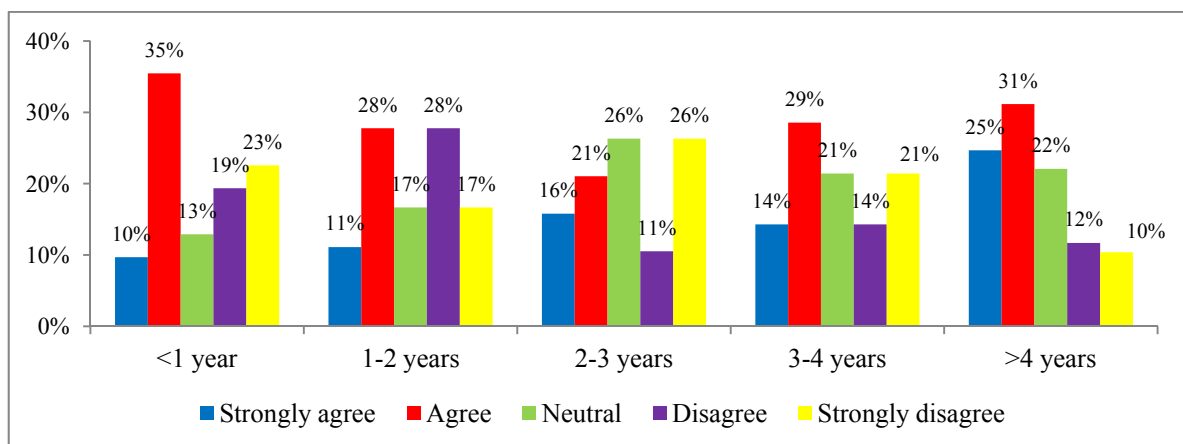


Figure 34: Increased workload due to layoffs of coworkers

In the second question in this category, the respondents were asked if they had wanted to be one of laid off victims instead of a survivor. This is stated because it has been reasoned that at times the survivors experience that they are the unlucky ones and not the victims (Littler, 1998). The mean for this question being 4.01 indicates that respondents tend to “disagree” more than “agree” with this statement. It turned out that 58.9% of survivors “strongly disagree” with it and only 8.1% “strongly agree”. This question was also analyzed by gender and figure 35 shows the different answers from both men and women. The difference is not significant ($p=0.533$) ($\chi^2=3,151$). This question was also cross examined with two other variables, age and children. No significant results came from that analyzes.

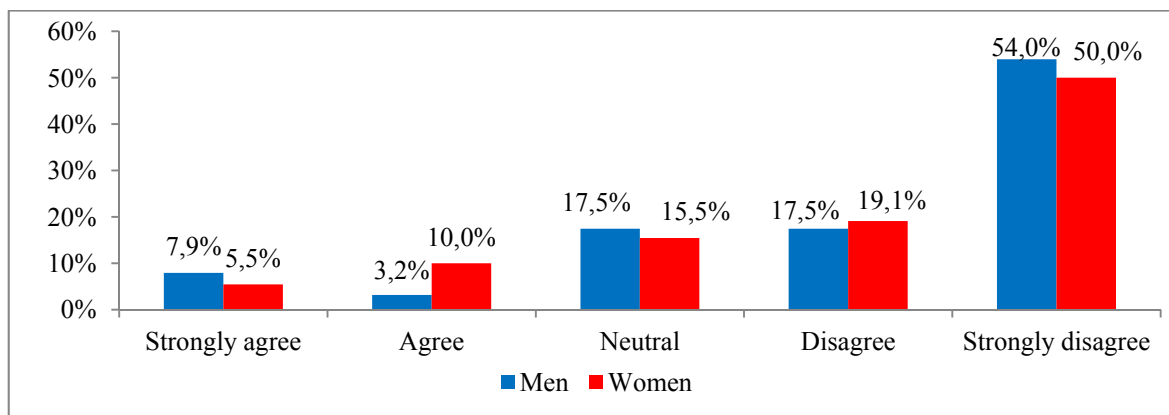


Figure 35: I would have preferred being laid off instead of staying with the downsized company

The results for this question, goes in hand with the third question in this category that asks respondent if they considered those who were laid off lucky to be gone. 57.3% of the survivors “strongly disagree” with that statement and the mean for that question was 4.03. When this question was divided between genders it shows very similar results for both men and women. The difference was however not significant ($p=0.808$) ($\chi^2=1,605$). Figure 36 shows the answers for this question divided by gender.

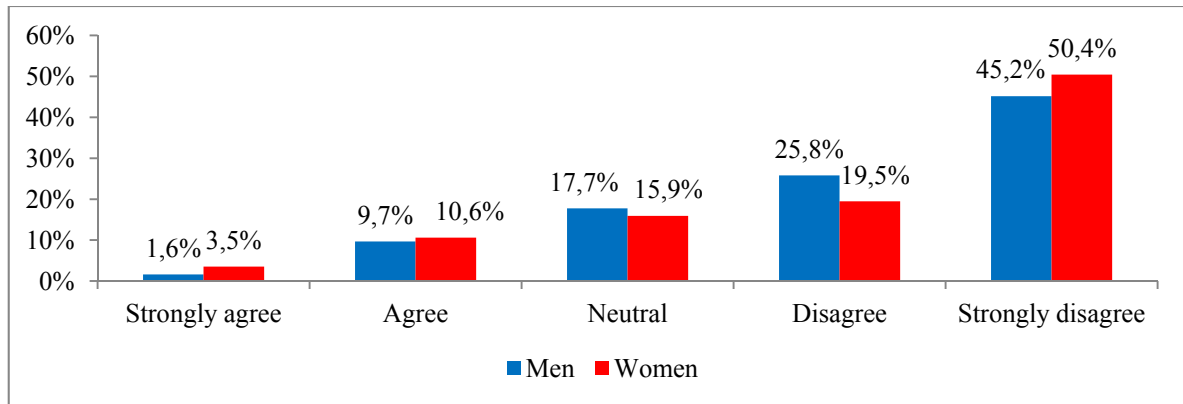


Figure 36: I have considered those who were laid off lucky to be gone

The answers were also examined with education of the respondents but no significant results appeared but the most frequent answer for all education groups was “strongly disagree”.

The survivors tend to strongly disagree in all aspects of the questions in this category although their workload might have increased in some cases. Further discussion about the survivor envy will be done in chapter seven.

Sense of work overload

The aim of this category was to verify if the survivors had experienced change in workload or in hours put into the job. Like said before, the literature review suggests that survivors are commonly faced with heavier workloads due to dismissal of coworkers and the results for the chapter above reveal that survivors “agree” or “strongly agree” that this is the case at their workplace. Participants were asked five questions to measure if change in workload had taken place among survivors. The first three questions were taken from Grunberg’s and Anderson-Connolly’s (2000) research and the last two questions were formed by the researcher in cooperation with the instructor. Table 41 here below shows the statistical analyzes of these five questions.

Q33 - Q37	N	Mean	St.dev	Variance
I never seem to have enough time to get everything done	321	2,70	1,21	1,46
I have too much work to do everything well	319	2,89	1,25	1,56
The amount of work I am asked to do is fair	320	2,67	1,03	1,06
I feel that I need to contribute more to my work today to finish the same amount of work I did before.	322	3,16	1,15	1,31
I feel that I need to put more hours into my work to be able to finish the same amount of work I did before	319	3,36	1,14	1,29

Table 41: Sense of work-overload, statistical analyzes of questions 33-37

For the first question that stated: *I never seem to have enough time to get everything done*, of those who took a stand 50% either “strongly agree” or “agree” but 29.3% “disagree” or “strongly disagree” with the mean being 2.70. When the question was analyzed by gender, men tend to “agree” or “strongly agree” in 55.4% of the cases while women do the same in 48.6% of the cases. The difference between the genders for this question is not significant ($p=0.151$) ($\chi^2=6,722$). The table below shows the answers from both men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	12,2%	43,2%	20,3%	20,3%	4,1%
Women	19,3%	29,4%	20,6%	21,6%	9,2%

Table 42: I never seem to have enough time to get everything done

The second question, that stated: *I have too much work to do everything well* has a little higher mean or 2.89, of those who took a stand in this question 28.1% replied with “disagree” which was the most common answer. However, when this question was analyzed by genders 45.9% of men either “strongly agree” or “agree” but 41.7% of women do the same. The difference between the genders in this question is not significant ($p=0.241$) ($\chi^2=5,482$). The table below shows the answers from both men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	10,8%	35,1%	21,6%	25,7%	6,8%
Women	17,6%	24,1%	18,5%	29,2%	10,6%

Table 43: I have too much work to do everything well

The mean for the third question that stated: *The amount of work I am asked to do is fair* was 2.67 and the most common answer, among those who took a stand in this question, was

“agree” (44.7%). This question was also analyzed between gender and there was very little difference in the answers, both men and women tend to “agree” with this statement, women in 45.2% of the cases and men in 42.5% of the cases and the difference was not significant ($p=0.738$) ($\chi^2=1,987$). The table below shows the answers from both men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	11,0%	42,5%	27,4%	13,7%	5,5%
Women	7,4%	45,2%	23,5%	18,4%	5,5%

Table 44: The amount of work I am asked to do is fair

The mean for the last two questions was above three in both cases. The most common answer for both questions was “neutral” (33.2%). When the forth question that stated: *I feel that I need to contribute more to my work today to finish the same amount of work I did before* is analyzed between gender, it shows that women tend to “strongly disagree” more frequently than men (15.5% vs. 7%) and men tend to be more “neutral” than women (42.3% vs. 30%). The difference between the genders is not significant ($p=0.227$) ($\chi^2=5,649$). The table below shows the answers from both men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	7,0%	19,7%	42,3%	23,9%	7,0%
Women	9,5%	19,0%	30,0%	26,0%	15,5%

Table 45: More contribution today to the work than before

The fifth question stated: *I feel that I need to put more hours into my work to be able to finish the same amount of work I did before*. In this question men seem to be more “neutral” than women (38% vs. 31.7%) and women tend to “strongly disagree” more frequently than men (20.6% vs. 12.7%). The table below shows the answers from both men and women for this question.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Men	5,6%	18,3%	38,0%	25,4%	12,7%
Women	7,0%	13,6%	31,7%	27,1%	20,6%

Table 46: More hours put into work to be able to finish the same amount of work

The difference between the genders for this question is not significant ($p=0.490$) ($\chi^2=3,423$). None of the questions in this category revealed a difference between the genders.

All these questions were also analyzed between victims and survivors to get a better idea how the survivors experience workload in their workplace. The main results for that analysis can be found in table 47.

		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	P value
Question 33	Victims	21,4%	23,2%	23,2%	23,2%	8,9%	0.228
	Survivors	16,4%	41,0%	15,6%	20,5%	6,6%	
Question 34	Victims	18,5%	16,7%	16,7%	38,9%	9,3%	0.466
	Survivors	16,4%	28,7%	18,0%	28,7%	8,2%	
Question 35	Victims	9,3%	46,3%	25,9%	11,1%	7,4%	0.817
	Survivors	9,9%	43,0%	23,1%	18,2%	5,8%	
Question 36	Victims	8,7%	23,9%	32,6%	28,3%	6,5%	0.777
	Survivors	11,9%	19,5%	36,4%	22,0%	10,2%	
Question 37	Victims	8,7%	17,4%	34,8%	26,1%	13,0%	0.997
	Survivors	9,2%	15,8%	35,0%	25,0%	15,0%	

Table 47: Sense of work-overload, analyzed between victims and survivors

Although none of these results show significant difference it is interesting to see that the survivors seem to “agree” more than the victims in reference to the first question, that they do not have enough time to get everything they need to do. Together with “strongly agree” survivors exceed victims with 57.7% ratio falling into those two response options whereas the victims show 44.6% for the same options. For question 34, the survivors seem to have much more work to do than the victims. The survivors “agreed” and “strongly agreed” in 45.1% of the cases while the victims did the same in 35.2% of the cases. Other results were very equally distributed between these two groups.

All the questions for this category were also cross examined with organizational position. This was done to verify if it matters how high you rank in the organizational structure versus how much workload you have. There was only one question that showed significant difference and that was question 33, *I never seem to have enough time to get everything done*. Figure 37 shows the difference in answers analyzed by organizational position.

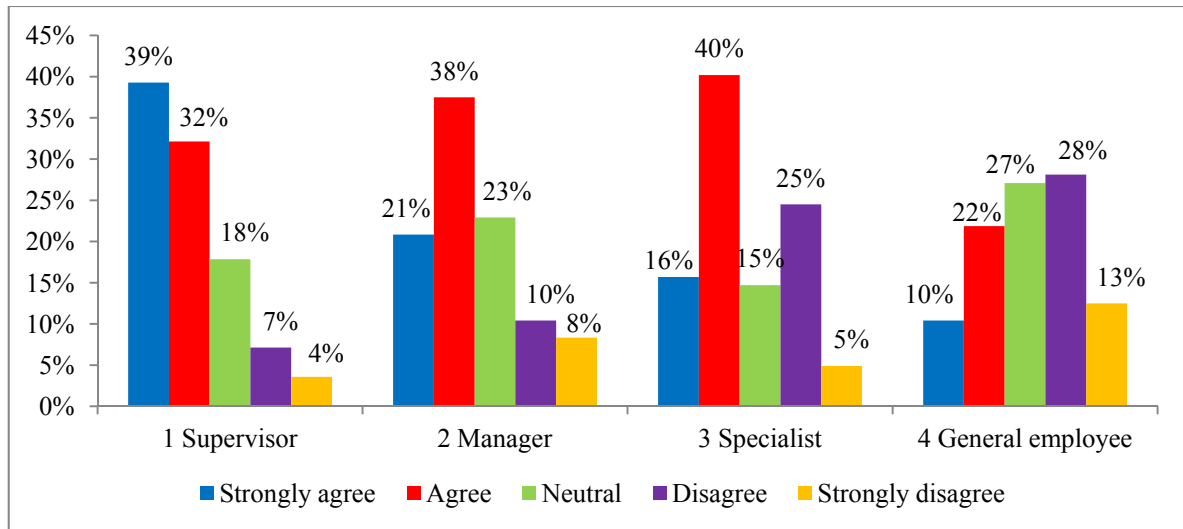


Figure 37: I never seem to have enough time to get everything done

When the figure is looked at it is the supervisors that generally “strongly agree” with this question and they also show a high score for “agree”. General employees tend to “disagree” with this question and when compared to the other professions, the general employees are the ones that “strongly disagree” most frequently. Note that the number of valid answers from supervisors was only 28 for this question so the result is built on few answers. Nevertheless, the difference within the organizational position for this question is significant ($p=0.001$) ($\chi^2=32,608$) with 95% level of confidence.

7 Discussion & Implications

The aim of chapter 7 is to discuss the findings that were discovered in chapter 6. Firstly, the findings in terms of the research question and the hypothesis that were presented will be discussed. Secondly, the theoretical implications for this study will be stated and finally limitations to this study and future research will be dealt with.

7.1 Findings

The finding of this study will follow the structure that was set up in chapter six. First, results for each sickness will be addressed and the hypotheses will be dealt with accordingly. Lastly, answer to the research question will be discussed and then, the remainder of this chapter will cover implications and limitations to this study along with discussion about future research.

7.2 Sickness 1

Sickness one dealt with job insecurity for the most part. Other factors were job satisfaction and organizational commitment along with morale in the workplace and lack of trust towards management/organization. Hypothesis one stated: *Survivors will have experienced job insecurity*. To support or reject the hypothesis five questions concerning job insecurity were laid out and the questions were analyzed in correlation with various variables. The conducted analyzes did not support the hypothesis and therefore it has to be rejected but the factors that made up this sickness are dealt with here below.

7.2.1 Sense of perceived job insecurity

The findings for perceived job insecurity among survivors are not as decisive as suggested. When the raw data from only the survivors is looked at it shows that their answers for the first question (*I expect that I will be promoted/ have career opportunities within the next 12 months*) are rather spread. Most survivors answer with “neutral” which indicates that the majority is not certain if they will be promoted/have career opportunities within the next 12 months and there was also almost an equal proportion that either agreed or disagreed with this question. The survivors also believe that their skills will be useful to the company in the next 12 months since over 91% of them strongly agree and agree with that question. When asked about if they thought that the company they work for would need them as an employee in the next 12 months 95.1% believe that to be the case. Both these questions indicate that the survivors sense that they will stay with the current employer for the next

12 months. Majority (57.4%) of the survivors also believe that the company they work for will not resort to layoffs in the next 12 months but 24.6% are neutral in their responses indicating that almost $\frac{1}{4}$ are unsure if layoffs could occur in the nearest future. When asked about if they thought that they themselves could be laid off 85.2% of the survivors do not fear their own security in the workplace. This could mean that although some feel that layoffs might happen in the next few months the survivors do not feel like they themselves will be one of the layoff victims. The final question asks the survivors to imagine that they would be laid off and to value how the assistance the company would give them with would provide for their needs. Almost 66% of the survivors expect that the management would provide very well and well for their needs. From the raw data, there is not much that indicates that the survivors are experiencing job insecurity in their workplace.

Further analyzes did though indicate some difference when the answers from the survivors were compared to other participants of the study. When all the groups (victims, survivors and those with no experience with layoffs) were asked to state their opinion on the following statement: *I am confident that the company will need me as an employee in the next 12 months* there was a significant difference between the survivors and those with no experience with layoffs versus the victims. The victims in this correlation showed more negative reaction than the two other groups. The difference is not gigantic but none the less it is visible and there are no clear reasons for that. It could be that the victims have already been through a personal layoff experience and they might feel vulnerable or feel more afraid than the other groups to lose their job again. When the participants were asked to state their mind on the following statement: *I believe that it is unlikely that more layoffs will occur in the organization in the next 12 months* the group that had no previous experience with layoffs were the ones that most frequently “strongly agreed” which indicates that they do not expect that layoffs will occur in the nearest future. The other groups divided their answers better between the response options and were more “neutral” about this statement which indicates that they are not entirely convinced that no further layoffs might happen in the nearest future. Both victims and survivors have experienced layoffs in their workplace so they might be more aware of signs that indicate that layoffs are possible. The groups also showed difference in their answers concerning this statement: *Suppose you were laid off. If so, how well do you think the assistance that management*

actually offered the laid off people would provide for your needs? When the answers were analyzed between the three groups it showed that those with no experience with layoffs expect that the management would provide very well and well for their needs if they were laid off in 82% of the cases. The other groups are more humble or pragmatic in their answers and do not feel as strongly that the management would provide as well for their needs. The reason could be that they have the layoff experience and do know how it is to be laid off or have seen how the management has treated those have been laid off before. Those with no experience have no idea how they will be treated by the management so most likely they are guessing how it will be. None of these questions indicate that the survivors have more negative feeling towards job insecurity than the other groups.

One of the suggested determinant factors towards job insecurity was age. Therefore, age was cross-examined with all the job insecurity questions. There was only one question that revealed a significant difference and that was the question concerning participants' perceived feelings of future promotion and career opportunities in the workplace (*I expect that I will be promoted/ have career opportunities within the next 12 months*). Those who were over 51 tended to show the most negative responses meaning that those who are older do not expect to have any further career or promotion opportunities. These results are not surprising and do in general go hand in hand what normally happens in the labor market when people get older.

When the genders were analyzed in relation to job insecurity there was only one question that revealed a significant difference and that question stated: *I expect that my skills will be useful to the company in the next 12 months*. Women tend to expect their skills on the job to be useful more frequently than men. Whether or not women feel that their skills are more useful in the workplace than men is difficult to estimate but these results hint that women feel that their skills on the job are being well used and they feel important in the workplace. In Naswall and De Witte's research (2003) that covered data from Belgium, Italy, Netherlands and Sweden men revealed a stronger relation between job insecurity and its negative outcomes than women in all the countries except Belgium but the current study does not indicate any such relation. Like with other analyzes between the genders it has to be noted that men are in minority of the respondents so the analyses is built on unequal answers from the genders.

The final analyzes of job insecurity was done by verifying if the participants companies field of industry yielded significant difference. There was one question that showed significant difference namely: *I feel it is unlikely that the company I work for will resort to layoffs in the next 12 months*. The answers for this questions revealed that those who work in the banking industry (financial institutions/insurance) and those in information and technology showed the most negative responses and therefore the least sure that the company they work for would lay off employees in the next 12 months. Those who were most convinced that layoffs would not occur in the next 12 months are working in public transport, education, commerce/service and health care. This could indicate that those who work in the private sector are more afraid that layoffs might occur in the nearest future than those working in the public sector. It is also interesting that those who have already experienced the most layoffs (bank industry, technology industry) are the ones who still fear the most that future layoffs could occur.

In general do these results not indicate that the survivors are suffering from job insecurity in their workplace and therefore will hypothesis 1 be rejected. There were, however, other factors that made up survivor sickness number 1 that is job satisfaction and commitment to the workplace and other survivor syndrome symptoms that will now be discussed.

7.2.2 Sense of survivor syndrome

The literature review defines many survivor syndromes that survivors do commonly identify with. In this study only two of them were dealt with namely *lack of trust towards the management/organization* after downsizing and *decreased employee morale*. When the answers from the survivors are analyzed they do not reveal that the survivors are suffering from any of the researched survivor syndrome because only one of the researched variables that made up this category showed a significant difference. Generally, the survivors tend to strongly disagree and disagree with the questions that were laid out in this category, except for the question regarding lack of trust towards the company/organization that they work for because in that case they tended to be neutral. Very few survivors agreed and strongly agree with the questions in this category that indicates, like previously mentioned, that the survivors are generally not experiencing a lack of trust towards their company or decreased morale in their workplace. International research have shown that morale in the workplace decreases after layoffs have taken place and for example in a Canadian research, that has

been previously discussed in the literature review, survivors reported feelings of anger and anxiety both within themselves and others that resulted in a decreased morale (Amundson et al., 2004). The study done by Vermeulen and Wiesner (2000) in South-Africa also revealed a huge drop in employee morale after layoffs. The current study does however not indicate that the survivors are experiencing that the morale in the workplace has worsened in the past four years because they tend to disagree most frequently with this question. The victims however tend to strongly disagree most frequently but they also strongly agree which indicates mixed feelings among the victims.

7.2.3 Job satisfaction and commitment

The final part of survivor sickness number 1 is job satisfaction and commitment. The results for this part of the study shows that the participants are in general satisfied with their job and they also tend to like their workplace. Men tend to like their job a little more than women and they also tend to like their workplace more than women. The question: *All in all, I am very satisfied with my job* was reversed to verify if the answers would mirror the answers for this question. The reversed question stated: *In general, I don't like my job* and the answers reflected the answers from the previous question pretty well. When the question concerning job satisfaction was analyzed between victims and survivors it revealed that the survivors were generally more satisfied with their jobs and they also like their workplace more than the victims. This is actually in sync with the results from the previous chapter about job insecurity and the survivor syndrome symptoms because the survivors did not show any firm conclusions that they suffer from any part of the researched survivor syndrome. This further supports that the survivors are satisfied in their current jobs and like their workplace and do not feel threatened by job insecurity.

There was one more question that dealt with the same issue as the first questions but this question was derived from Arney Einarsson's and Ásta Bjarnadóttir's research and stated: *Most days I am excited about my job*. Most participants agreed and strongly agreed with this question. There was a significant difference found between the survivors and the victims for this question whereas the survivors reported that they are much more excited about their jobs than the victims. This supports the results from the previous question that the survivors are more satisfied in their jobs than the victims. It should be noted that the victims have had to find new jobs or some might still be unemployed that could in some

way explain why they are not as excited about their jobs as the survivors or as satisfied as them with their current position in the labor market. When this question was analyzed by gender it also revealed a significant difference. Women tend to be less excited about their jobs than men or at least they disagree and strongly disagree more frequently than men with this question which supports the conclusion that men tend to like their jobs more than women.

The participants were also asked if they would turn down another job with more pay to stay with the current employer, aiming for commitment to current workplace. The most common answer for this question was disagree which indicates that higher salaries are more appealing than commitment to current employer for majority of the participants. When the question was analyzed by gender no significant difference was visible although there numbers did reveal some difference, because women disagreed and strongly disagreed more frequently than men (55.3% vs. 43.8%) which could indicate than women would like change jobs more than men and that they would like a job that pays more than the current job does. When the question was analyzed between victims and survivors it showed that the survivors were more committed to their current workplace than the victims. The victims also disagreed and strongly disagreed with this question more frequently than the survivors (66.1% vs. 47.1) but the difference was not significant. The result for this question does not indicate that the survivors are experiencing lack of commitment to the workplace. This even more supports that survivors are not dealing with any kind of the researched survivor syndrome symptoms in this study.

There were two other questions in this category that were derived from Arney Einarisdóttir's and Ásta Bjarnadóttir's research and both of them were used to measure job satisfaction. This question was: *I feel like "one of the family" with the company I work for.* Most participants agreed with this question and majority of the survivors either strongly agreed or agreed with this question but there was not a significant difference found between the victims and the survivors. However, when this question was analyzed by gender there was a significant difference visible. The results revealed that women feel more like one of the family in their workplace than men. This is actually interesting because in the previous question they have reported that they are not as satisfied in their jobs and do not like their jobs as much as men. The reason for this is hard to guess but it could be that women get

more attached to their coworkers and make friends in the workplace and that makes them feel like a part of a family despite the fact that they are dissatisfied in their jobs.

Finally, participants were asked if they had wanted to change jobs in the past few years. This question was added for curiosity purposes and the aim was to find out if participants had really wanted to change jobs in the past few years but did not. The results from this question shows that women have wanted to change jobs more than men in the past few years and the difference was significant. It is hard to find the exact reason why women have wanted to change jobs more than men in the past few years but the results from the questions above indicate that women are not as satisfied as men or as excited about their jobs so it is possible that they have had to accept lower paid jobs that do not satisfy them as employees.

This chapter of the study has revealed the survivors are not dealing with less job satisfaction than the victims of downsizing although research like done in e.g. Australia have suggested that job satisfaction among survivors has dropped considerably after layoffs (Gettler, 1998).

Furthermore, have these results found that women are less satisfied than men in their jobs, they are less excited about their jobs and like their jobs less than men. They however feel more like of one of family in their workplace and they have wanted to change jobs in the past few years. These results indicate that women have had to put up with jobs they do not like and do not satisfy them but they have not changed jobs in the past few years and the reason could be because of the economic situation here in Iceland. These results that show a significant difference between with men and women need to be carefully looked at since men are in minority of respondents and that gives biased results between the genders.

7.3 Sickness 2

Sickness two dealt with survivors' guilt towards the victims of layoffs. Within this sickness the focus was on perceived guilt among survivors, anger towards the organization that did lay off employees and fairness of the executed layoffs. Hypothesis two stated: *Survivors will show signs of guilt towards the laid off victims*. To support or reject the hypothesis the participants were asked three questions that were laid out about guilt and the questions were analyzed in correlation with various variables. The conducted analyzes did not

support the hypothesis and therefore it has to be rejected but here below are the factors that made up this sickness dealt with.

7.3.1 Survivors' guilt

Survivors' guilt and fairness of layoffs deal with survivor sickness number 2. The first part of this category deals with survivors guilt, that is guilt towards the laid off victims. The participants were asked if they had experienced guilt within themselves because their coworkers/friends were laid off but they themselves survived the layoffs. That did not turn out to be the case. The survivors did strongly disagree in 38.4% of the cases which was their most common answer and the victims did the same in 25% of the cases and it did not matter if the survivors had coworkers/friends that did lose their jobs. However there was a visible difference when the question about guilt was analyzed between genders and it showed that women tended to feel guiltier towards a coworker/friend that was laid off. Men and women had equal experience in losing a good friend/coworker from the workplace in a downsizing procedure. Although there is no one concrete reason why women feel guiltier in this situation it is possible that women tend to be more vulnerable and have more compassion than men in stress related situations (Macrae, 2010). Women did also reveal in this study that they feel more like one of the family within their workplace so it could be a reason that they are experiencing that one of the family is suddenly missing when a friend or a close coworker is suddenly dismissed. The hypothesis that was put forward stated that survivors would feel guilty towards the layoff victims but it had to be rejected.

Anger towards the organization after layoffs was dealt with in this category and the results show that the victims tend to feel more anger towards the organization/company than the survivors and the difference between the two groups was significant. This indicates that the victims are still feeling resentment towards the organization that executed the layoffs. The literature review explains anger as of the survivor syndrome and in Campbell-Jamison research that was done in the U.K. the survivors experienced anger towards the organization and felt like the organization had broken the psychological contract (Campbell-Jamison et al., 2001). The current study does however not reveal that the survivors have experienced these feelings.

This is not in correlation with the literature review that suggests that the survivors are commonly experiencing feelings of anger after layoffs especially if they had friends or

coworkers that were laid off. In the current study this seems to be the other way around, the victims are obviously feeling angrier towards the organization that laid them off.

7.3.2 Fairness of layoffs

The second part of this category focused on fairness of layoffs. Participants were asked if the procedure that the company used to select those who were dismissed was fair. The results revealed that the victims did not agree with this but the survivors did. This is in a way understandable since the victims were the ones that were dismissed and they feel that maybe there should have been someone else dismissed. The survivors do, on the other hand feel that the procedure was fairly handled, probably because they themselves kept their jobs. There was also a significant difference visible when this question was analyzed by organizational position. It turned out that supervisors and managers generally “strongly agree” and “agree” with this question whereas general employees and specialists tend to “strongly disagree”. This is actually not surprising because there is probably a big part of the supervisors and managers that had to execute the layoffs and also it is less likely that these jobs were eliminated. It is more likely that the companies did lay off general employees and specialists since they are in most companies in majority of workers. When the question was analyzed between genders it revealed no significant results.

The second question in this category asked if the respondents thought that those who were laid off were fairly treated by the organization/company. The results showed a significant difference between victims and survivors for this question and although the victims “strongly disagree” more frequently than the survivors, the survivors “disagree” more frequently than the victims. This could mean that the victims feel that they were not treated well enough when they were laid off but the survivors have a more tendency to feel that the victims were fairly treated. When the question was analyzed between genders it revealed no significant results. There was however a significant difference visible when this question was analyzed by organizational position. In that analyzes the supervisors and the managers showed the greatest correlation with strongly agree which means that they feel more than others that the victims were fairly treated maybe, like said before, because they were the ones to execute the layoffs of the victims and therefore feel that their own procedures were well executed.

The final question in this category concerning fairness of layoffs asks the respondents if the layoffs were clearly explained to them. Analyzes between the genders did not return any significant results and neither did analyzes between victims and survivors for this question but majority of both survivors and victims tend to “agree” and the “strongly agree” meaning that generally, the reasons for the layoffs have been well explained. This question was also analyzed by organizational position and like the other two previous questions there was significant difference visible. The supervisors, managers and the specialist tend to “strongly agree” and “agree” most frequently. The general employees are more “neutral” in their replies and they are also the group that “strongly disagreed” most frequently. This implies that those who are lower down the organizational ladder have less information than the higher positioned employees.

7.4 Sickness 3

Sickness three dealt with survivors envy towards the victims of layoffs. This sickness deals with perceived jealousy among survivors towards those who are let go and change in workload among participants. Hypothesis three stated: *Survivors will have experienced envy towards the laid off victims*. To support or reject the hypothesis the participants were asked three questions about perceived envy towards the laid off victims and the questions were analyzed in correlation with various variables. The conducted analyzes did not support the hypothesis and therefore it has to be rejected but here below are the factors that made up this sickness dealt with.

7.4.1 Envy towards layoff victims

The hypothesis about survivors’ envy towards the layoff victims was rejected. Although the survivors generally agree that they have had to take on more work due to dismissal of coworkers they don’t seem to envy the victims’ position or feel that they are fortunate to be gone. This is in contrast to what the literature review suggests. The economic downturn in Iceland that caused a great unemployment among people in the labor market could be a big factor. It is not unlikely that the situation in the labor market has made the survivors even feel for the victims since it is hard to get new jobs in general when the companies are sitting back. It could be interesting to know whether the results were different if the economic situation and the unemployment rate were stable.

Connected to the survivor envy is the change in workload. It is not uncommon that survivors need to take on more work in the workplace when layoffs have taken place and it was suggested that change in workload might actuate survivor envy towards the victims. In general do the participants feel “neutral” in these questions and no particular results stand out. The results do not indicate that the survivors have more workload than the victims after layoffs. The survivors agreed more frequently that they never had enough time to get everything done but both groups seem to feel that the amount of work they are asked to do is fair. The only issue in this category that showed some significant difference was the organization position in relation to the question: *I have too much work to do everything well*. Those who rank higher in the organizational ladder tend to report that they have more work to do and the general employees are the ones that feel the least that this situation is applicable in their case. These results are not surprising since those who function as supervisors in the workplace have often many tasks to look into and the pressure can often be hectic.

7.5 Conclusion

To sum the discussion that took place above it has been revealed that the stated hypothesis could not be supported. The research question stated: *Does corporate downsizing actuate a negative impact on the survivors of downsizing?* And since the hypothesis could not be supported, the answer to the research question has to be: *No, there are no implications that corporate downsizing actuates a negative impact on survivors*. On the contrary, the study did show that the victims are in general experiencing more negative feelings concerning layoffs than the survivors and especially concerning fairness of layoffs where the victims felt that the procedure that was used to select those who were laid off was not fair while the survivors felt that it was fair. This tells us that the feelings that the victims show could be considered long-term effects from personal layoffs. The survivors did even feel that the layoffs were fairly handled more profoundly than the victims and they did not show any signs of guilt or envy towards the layoff victims.

The victims also tended to show more anger towards their organization than the survivors. The survivors did not show any significant signs of job insecurity or other negative effect of downsizing according to this study when compared to the victims. When compared to international research the results for this study did not show any of the same responses from

the survivors. The study did however reveal some difference between men and women concerning job satisfaction and how the genders feel about their jobs which could be interesting to follow up. It is however difficult to make any assumptions concerning the difference between the genders since men were in minority of the respondents but none the less did the difference in answers from men and women hint that the genders do not see their position in the labor market with same eyes and this difference is interesting to explore further.

7.6 Implications

The findings in this study do not confirm previous studies done in other countries or the hypothesis stated in relation to the literature review. Several scholars have dealt with similar topics concerning survivors of downsizing but only few of them have focused on this topic after economic crisis. Most previous research deal with layoffs in normal times e.g. when the economy is stable and no crisis have occurred. Wang-Bae Kim (2003), however, deals with the survivor syndrome after an economic crisis in South-Korea and the results of that study show that survivors are negatively affected by the use of layoffs. The current study did not find any significant results that can be interpreted into survivor sickness.

This research can how ever be used as a foundation for future research and in the long run that would only increase its reliability. Everyone can agree that it is good for companies/organization to have knowledge about their employees' feelings towards their jobs and the workplace. Although this research does not focus on a particular sector or company the foundation can be useful to build on.

7.7 Limitations and future research

There are some limitations to this study. First to mention is the sample, which was not collected in researched based method. Having a convenience sample like in this study means that all the participants are select because their convenient accessibility and proximity to the researcher. This can cause biases and in this study the women were in majority of the participants and they tend to work as general employees while men are relatively more often in a supervisor or manager position. This should be kept in mind when the results are looked at, both when the genders are analyzed and organizational position as well because the results are built on replies from more women than men. For

future research this could be done in a more systematic way then aiming for more equal parting in gender and organizational position. This could also be more professionally done by having foregone companies partake in a study like this to better understand the behavior and attitudes from all level employees.

Another limitation to this study is the language. Almost all the questions that were asked in this study came from previously researched studies and before the questionnaire was public they were all translated to Icelandic, because the study dealt with Icelandic labor market. Since the questions had to be translated, there is a chance that some questions were not translated perfectly and therefore they could have been misinterpreted. If that is the case with some of the questions it could happen that the Icelandic and English version did not measure exactly the same features.

There are only few factors from the survivor sickness that are researched in this study but the literature review tackles many aspects of the survivor sickness e.g. less productivity, absenteeism, less work performance and stress. All these factors can also be research material for future research but were not dealt with in this study.

The results in the job satisfaction section revealed some interesting results and especially in relation to women. Although women are in majority of the respondents there was an interesting difference in the genders that give a hint to future research. According to the results from the study women are less satisfied then men when it comes to job satisfaction and they have wanted to change jobs in the past few years. Women also experience themselves more like one of the “family” in the workplace more frequently than men. These results indicate that women and men might look at their workplace with different eyes. While men tend be in jobs that makes them satisfied and feel more content they do not experience the “family” feeling in their workplace as frequently as women. This subject could be interesting for future research.

This study is done few years after the steepest economic crisis in Iceland. Four years have now passed since this misfortune took place and the country has not gained full recovery although the unemployment rate has fallen since that time (from 8% in yearend 2009 to 5.2% in October 2012). No distinction was made to how much time has passed since the victims were laid off. This means that some victims might have been laid off in 2008 and

others in 2011 and there could be a difference in the answers depending on when the victims were laid off, indicating biased answers from the victims.

It has to be noted that all the answers from the participants aim at the current economic situation, which means that in a way we are looking at a paralyzed labor market. The companies have been sitting back and not been active in hiring new employees, the unemployment rate is not in its normal state when looking at unemployment history here in Iceland. This is of course not an ideal situation for the victims of downsizing that unexpectedly need to find new jobs. Like said before, the survivors did not envy the victims and when the situation is looked at it is understandable but there is a chance that in a normal situation that the survivors had answered differently. It could be interesting to retest this study in few years when and if the economic situation is more stable and the unemployment rate has fallen even more. In current times the issues about the labor market and employees have been of great concern for many researchers and hopefully it will stay like that. There is an opportunity to learn about the past and use to advance in the future.

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Appendix: Questionnaire

1. Have you at any time in the past 4 years been employed with a company that had to resort to layoffs?

- ☐ Yes
- ☐ No
- ☐ I have not been employed at all in the past four years

• *If your answer to question 1 was No then you go automatically to question 16. If you have not been working at all in the past 4 years you may discontinue this survey.*

2. Have you ever in the past 4 years been laid off?

- ☐ Yes, once
- ☐ Yes, twice
- ☐ Yes, three time or more
- ☐ No

• *If your answer to question 2 was No you may go straight to question 4*

3. If you have been laid off, in what kind of industry did you work at that time?

- ☐ Agriculture, fishery
- ☐ Construction
- ☐ Information and technology, high-tech or software industries
- ☐ Education
- ☐ Health care
- ☐ Public service (Municipalities and public agencies)
- ☐ Other public service
- ☐ Commerce and service
- ☐ Public transport
- ☐ Distribution systems
- ☐ Banking, insurance or other financial institutions
- ☐ Production company (production of films, videos, television-material)
- ☐ Other kind of industry than mentioned above
- ☐ Other, what _____

4. Have you ever, in the past 4 years, experienced that a group from your company was laid off but you survived the layoffs?

- ☐ Yes, approximately 1-4% of the workforce was laid off
- ☐ Yes, approximately 5-10% of the workforce was laid off
- ☐ Yes, more than 10% of the workforce was laid off
- ☐ No, there were no layoffs in this time period

5. Have you ever, in the past 4 years, experienced that a group from your department (2 people or more) was laid off but you survived the layoffs?

- ☐ Yes, 2-4 co-workers were laid off
- ☐ Yes, 5-9 co-workers were laid off
- ☐ Yes, 10 co-workers or more were laid off
- ☐ No, there were no co-workers laid off in my department

6. Have you ever in the past 4 years, received a warn notice that you might get laid off in the next round of layoffs?

- ☐ Yes
- ☐ No

Next part of this survey (questions 7-15) is about your attitude towards layoffs in the workplace where 2 people or more have been laid off. If you have experienced more than 1 incident of layoff, please refer to the layoff that is closest to you in time. If you do not want to answer or the question is not applicable (NA) in your case please tick the last box.

7. – 9. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
During the last major round of layoffs, the procedure that the company used to select those who were let go was fair.						
During the last major round of layoffs, the company treated those who were let go very well.						
The reasons for the layoffs were clearly explained to me and other employees						

10. – 12. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
I had good friends/coworkers at the workplace that lost their jobs during layoffs.						
I have experienced guilt within me because my coworker was laid off but I was not.						
I have experienced anger towards the organization that laid off people that worked closely with me.						

13. -15. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
I have had to take on more work because my coworkers were laid off and their assignments got transferred to the remaining employees.						
In the past 4 years I have experienced that I just as well would have liked to be one of the laid off employees instead of staying with the downsized company						
It has happened (at any point in the past 4 years) that I have considered those who were laid off lucky to be gone						

Next you will be asked questions about your current workplace. If you do not want to answer or the question is not applicable (NA) in your case please tick the last box.

16. – 20. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
I expect that I will be promoted/ have career opportunities within the next 12 months						
I expect that my skills will be useful to the company in the next 12 months						
I am confident that the company will need me as an employee in the next 12 months						
I feel it is unlikely that the company I work for will resort to layoffs in the next 12 months						
I feel it is unlikely that I will be laid off in the next 12 months						

21. Suppose you were laid off. If so, how well do you think the assistance that management actually offered the laid off people would provide for your needs?

- ☐ Very much
- ☐ Much
- ☐ Neutral
- ☐ Little
- ☐ Not at all
- ☐ NA/ Don't want to answer

22. – 24. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
I have experienced increased lack of trust towards my supervisors recently than I did ca. 4 years ago						
I have experienced increased lack of trust towards the company I work for recently than I did ca. 4 years ago						
I believe that the morale at my workplace is worse today than it was ca. 4 years ago						

25. – 32. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
All in all, I am very satisfied with my job						
In general, I don't like my job						
In general, I like working here						
Most days, I am excited about my job						
I would turn down another job with more pay in order to stay with this company						
I feel like "one of the family" with the company I work for						
I am very proud of my workplace						
I have wanted to change jobs in the past few years						

33. – 37. Please state your opinion to the subsequent statements.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	NA/ Don't want to answer
I never seem to have enough time to get everything done						
I have too much work to do everything well						
The amount of work I am asked to do is fair						
I feel that I need to contribute more to my work today to finish the same amount of work I did before						
I feel that I need to put more hours into my work to be able to finish the same amount of work I did before						

Now there are only few questions about your background that will be used in process of this survey.

38. What is your gender?

- ☐ Male
- ☐ Female

39. What year were you born? _____

40. Do any children under the age of 18 live with you in your home?

- ☐ Yes
- ☐ No

41. What is your highest education?

- ☐ Primary/elementary school
- ☐ Secondary school
- ☐ Collage
- ☐ University degree/undergraduate
- ☐ University degree/postgraduate
- ☐ Doctors degree
- ☐ Other education than mentioned above

42. How long have you worked at your current workplace?

- ☐ 1 year or less
- ☐ 1-2 years
- ☐ 2-3 years
- ☐ 3-4 years
- ☐ 4 years or longer

43. What is your companies industry?

- ☐ Agriculture, fishery
- ☐ Construction
- ☐ Information and technology, high-tech or software industries
- ☐ Education
- ☐ Health care
- ☐ Public service (Municipalities and public agencies)
- ☐ Other public service
- ☐ Commerce and service
- ☐ Public transport
- ☐ Distribution systems
- ☐ Banking, insurance or other financial institutions
- ☐ Production company (production of films, videos, television-material)
- ☐ Other kind of industry than mentioned above
- ☐ Unemployed
- ☐ Student
- ☐ In a maternity leave

44. What is the nature of your job?

- ☐ Supervisor
- ☐ Department manager
- ☐ Specialist
- ☐ Public employee
- ☐ Other, what? _____