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EMPLOYEES' PERSPECTIVE ON EMPLOYEE CO- OPERATION NEGOTIATIONS



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The year 2013 was a hard year for companies in Finland. The outcome of the year 2013 can be seen from redundancy statistics. A total of 14,522 people got their contracts terminated and 24,532 people got laid off in 2013 in Finland (Centre organization of Finnish trade unions, 2014). These people have had their contracts terminated or they have been laid off as a result of co-operation negotiation.

This thesis mainly focuses on employees and their perception of co-operation negotiations. The aim of the research is to find out how employees experience that companies managed to execute co-operation negotiation. In the thesis there is explained why the law of co-operation negotiation and co-operation negotiation process are in an important role in co-operation negotiation.

The thesis research is conducted as a qualitative research including some quantitative elements. The data was collected by doing interviews. The interview was answered by six people who had been part of co-operation negotiation. The conclusion of the thesis is a result of comparing the interview answers and literature part.

Employees' thoughts about co-operation negotiation are mainly negative and the experiences are mentally quite heavy. The trust and respect towards employer is lost. Employees try to understand the reasons behind co-operation negotiation and that companies are forced to take this kind of action.

KEYWORDS:

Co-operation negotiation, redundancy, lay-off, the law of co-operation, employee, employer, labor law

Emmi Lehtimäki

YHTEISTOIMINTANEUVOTTELUT TYÖNTEKIJÖIDEN NÄKÖKULMASTA

Vuosi 2013 oli vaikea vuosi yrityksille Suomessa. Tämä käy ilmi vuoden 2013 irtisanomistilastosta. Kaiken kaikkiaan 14522 ihmistä irtisanottiin ja 24532 ihmistä lomautettiin vuonna 2013 Suomessa (SAK RY 2014). Yhteistoimintaneuvottelut ovat kaikkien näiden irtisanomisien ja lomautuksien takana .

Opinnäytetyö keskittyy työntekijöihin ja heidän näkemyksiinsä yhteistoimintaneuvotteluista. Tutkimuksen tarkoituksena on saada selville miten työntekijät kokevat, että yritykset suoriutuivat yhteistoimintaneuvotteluiden hoitamisesta. Opinnäytetyössä selvitetään miksi yhteistoimintalaki ja yhteistoimintaprosessi ovat tärkeässä roolissa yhteistoimintaneuvotteluissa.

Opinnäytetyön tutkimus on tehty kvalitatiivisena tutkimuksena, missä on elementtejä kvantitatiivisesta tutkimuksesta. Tiedot on kerätty haastatteluiden muodossa. Haastatteluun vastasi kuusi työntekijää, jotka olivat kokeneet yhteistoimintaneuvottelut. Opinnäytetyön yhteenveto on haastattelun vastauksien ja kirjallisuusosion tulos.

Työntekijöiden ajatukset yhteistoimintaneuvotteluista ovat pääosin negatiivisia ja kokemukset henkisesti melko raskaita. Luottamus ja kunnioitus työnantajaa kohtaan ovat laskeneet huomattavasti. Työntekijät yrittävät ymmärtää yhteistoimintaneuvotteluiden syitä ja sitä että yritykset on pakotettu ryhtymään tämänkaltaisiin toimenpiteisiin.

ASIASANAT:

Yhteistoimintaneuvottelut, irtisanominen, lomauttaminen, yhteistoimintalaki, työntekijä, työnantaja, työoikeus

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1 INTRODUCTION

The reason why I chose this topic was that I was working in Danske Bank while the private banking sector went through employee co-operation negotiations. I applied to do my internship in Danske Bank and was accepted to do my 5 month internship there starting in the beginning of January 2013. In April, Danske Bank informed that it will start employee co-operation negotiations in the private banking sector in Finland. I was not part of the employee co-operation negotiations since I was working part time. In, August 2013, the employee co-operation negotiations ended. Danske Bank made some strategic changes and closed a number of bank offices around Finland.

Everything that I experienced during those five months when the bank was going through the employee co-operation negotiations inspired me to do my thesis about employee co-operation negotiations. In addition, as Danske Bank announced that it will start employee co-operation negotiations in Finland I became to draw more attention to news that was about employee co-operation negotiations in different companies. Moreover, I came to understand that in Finland companies are now more and more going through employee co-operation negotiations. This made me ponder how this rising trend would affect on the Finnish economy and that is why I wanted to investigate co-operation negotiations in my thesis.

1.1 INTRODUCTION OF THE RESEARCH

The aim of the research is to find out how employees experience employee co-operation negotiation. Moreover, the research is carried out from the point of view of employees. I chose this point of view because I find it the most interesting. The research material is collected by interviewing persons who have been part of employee co-operation negotiation. The interview that the respondents are answer includes basic questions about co-operation negotiation, questions about the law of the co-operation negotiation and open questions about co-operation negotiations in general.

1.1.1 RESEARCH QUESTION

From the employees' point of view how the employee co-operation negotiations were conducted in companies?

2 THEORETICAL FRAMEWORKS

2.1 NEGOTIATION

2.1.1 WHAT IS NEGOTIATING?

“Negotiation is fundamental personal skill that can be learned” (Maddux 1995, 2). It is important to people to know how to negotiate. Negotiation is a life skill as well as a personal skill. “Whenever we attempt to influence another person through an exchange of ideas, or something of material value, we are negotiating” (Maddux 1995, 7). I think each one of us can recognize a situation where we have been negotiating about something. Moreover, “negotiation is the process we use to satisfy our needs when someone else controls what we want” (Maddux 1995, 7).

2.2 EMPLOYEE CO-OPERATION NEGOTIATION

2.2.1 DEFINITION OF CO-OPERATION NEGOTIATION

Co-operation means constant interaction between employer and employees. It is about negotiating matters that affect to the employees’ position. Co-operation is part of human resource management; it is a procedure for handling the issues of employees’.

“The aim of co-operation negotiations is to create a negotiation process that affects positively to workplace and personnel development” (Työ ja elinkeinoministeriö, 2014). Co-operation negotiation is not always about decreasing the number of employees. Co-operation negotiation can be a way to influence positively to company’s operations.

Mandatory co-operation procedures has regulated with the law of co-operation. There is also a labor law that protects employees. The purpose is to secure the chance of personnel to take part and influence to preparation of decisions about

their work and working environment. The importance of co-operation negotiations is emphasized especially in the change situations of working life.

2.3 REASONS FOR CO-OPERATION NEGOTIATION

The main reason behind co-operation negotiations is that a company is making big changes. A company can change its strategy, A company might want to save money and in order to cut costs the company starts co-operation negotiations. Also, advanced technology can cause a company to start co-operation negotiations. Examples of these changes include for example banks that do not need that many offices anymore since people can pay their bills and check investment profiles in internet bank. In addition, advanced technology can cause some employees become useless.

Here are some reasons for co-operation negotiations picked up from internet newspaper articles:

“Department store chain Stockmann is starting co-operation negotiations in the marketing organization. The aim of the corporation is to attain cost savings of four million euros annually” (Kauppalehti, 16.10.2013).

”Metso and Valmet are intending to reduce almost 300 employees in Finland. Staff reduction and lay-offs are part of the cost-cutting program that Metso announced earlier. Staff reduction and lay-offs in Valmet are part of the original cost-cutting program which schedule is now decided to quicken” (Taloussanomat, 21.10.2013)

“Kirkkonummi will start co-operation negotiations. The purpose of co-operation is to save six million euros and 150 staff years next year” (Iltasanomat, 15.10.2013).

“With efficiency program Tieto seeks to improve competitiveness and to achieve long-term financial objectives. The company also has overcapacity as a result of a long period of volume decreases in telecommunication sector.

- Information technology sector is going through strong changes globally: new technologies such as cloud services and changes in customer demand has led to quick renewal of old information systems with standardized and less labor requiring applications, chief executive officer Kimmo Alkio says in his release” (Taloussanomat, 14.10.2013)

”Mobile phone company Nokia will start co-operation negotiations concerning organizational change in Finland which is related to selling mobile phone functions to Microsoft. The purpose of co-operation negotiations is to recognize both Nokia and Microsoft relevant tasks and roles and make sure that business functions continue seamlessly when the contemplated transaction is realized” (Taloussanomat, 16.10.2013).

2.4 CO-OPERATION NEGOTIATION PROCEDURE

An employer must release a written proposal for negotiations so that the co-operation negotiations and employment measures can start. The negotiations proposal has to be released at the latest five days before the beginning of the negotiations to allow the negotiating party to get ready for the negotiations. “The negotiation proposal must be issued regardless of whether the prospective personnel reduction applies to one or several employees” (Suomen Ekonomiliitto, 29.11.2013).

The intention of the negotiation proposal is to secure base for the negotiations. The personnel need to have the chance to affect solutions in legal issues. For this reason, the personnel must be delivered with adequate information and the opportunity to note their opinions.

Negotiations must be at a phase in which personnel representatives are yet able to affect the potential decision (Suomen Ekonomiliitto, 29.11.2013). Personnel representatives need to be allowed to make counter-proposals on the negotiated matters. Also, the presented proposals have to be discussed at the negotiation proceedings.

After these have been solved out, alternatives for limiting the scope of personnel reductions and means to ease the impacts of reductions on the personnel are negotiated (Suomen Ekonomiliitto, 29.11.2013).

In the webpage of Suomen Ekonomiliitto there is stated the following:

“Negotiation on alternatives includes the following:

- Training and replacement possibilities
- Work and working hour arrangements
- Other negotiated matters can be for example number of volunteers for part-time work, study leaves and similar arrangements
- In the co-operation negotiations, the possibility for reducing social and economical drawbacks caused by termination, lay-offs and transfers to part-time work must be discussed if it is not possible to abandon the personnel reductions” (Suomen Ekonomiliitto, 29.11.2013).

Communication is essential in the process of co-operation negotiations.

Communication has a big meaning during the process of co-operation negotiations. “Uncertainty causes insecurity and rumors” (Suomen Ekonomiliitto, 29.11.2013). “When the co-operation negotiations have been completed, the employer must within a reasonable time provide the representatives of the personnel groups with a general report on the decisions considered on the basis of the co-operation negotiations” (Suomen Ekonomiliitto, 29.11.2013).

In the report there has to be at least the following:

- “The number of employees whose contracts will be terminated, who will be laid off, or whose contracts of employment will be reduced to part time contracts in each personnel group
- Duration of the lay-offs
- An estimate of the time during which the planned reductions are intended to be carried out” (Suomen Ekonomiliitto, 29.11.2013)

“After this, superiors need to clarify to the employees whose contracts will be terminated and who will be laid off how their employment terms will apply during their notice or lay-off period” (Suomen Ekonomiliitto, 29.11.2013).

The main principle in the outcome of co-operation negotiations is that the same issues should not have to be negotiated twice. “An employer cannot give notice due to financial or productive reasons whose bases, impacts or alternatives have not been discussed in co-operation negotiations” (Suomen Ekonomiliitto, 29.11.2013). “According to the Employment Contracts Act, an employer is also liable to re-employ a person within nine months of termination of the employment relationship if notice was given on production or financial grounds” (Suomen Ekonomiliitto, 29.11.2013).

2.5 LEGAL ASPECTS AND CO-OPERATION NEGOTIATION

There are two books that I used in the research which are both about laws that apply to both employer and employees. There are of course more books about the laws but these are the two books I decided to use in the research. The two books are “The law of co-operation in practice” and “Labor law”. In the book the law of co-operation in practice it is stated that “the purpose of the law is to improve interactional co-operation procedures between employer and employee; and personnel groups” (Antola ym 2008, 13). In the labor law it is stated that “the birth and development of the labor law are linked to industrialization of the society and consequently followed by paid labor empowerment” (Kairinen ym 2002, 33).

3 THE FINNISH LAW OF CO-OPERATION

3.1 INTRODUCTION OF THE FINNISH LAW OF CO-OPERATION

“Lawyers and conflict are a classic combination” (Carnevale 2006, 307). In order to look deeper into the world of the employee co-operation negotiations, it is useful to go through the law of employee co-operation negotiations to understand the whole process. “In Finland, there is approximately 230,000 companies, which employ over 1,3 million people. The law of co-operation is applicable to approximately 900,000 employees, who work approximately in 8,000 companies” (Työ- ja elinkeinoministeriö, 2014). For me it was very interesting to study the laws of employee co-operation negotiation because companies are going through co-operation negotiations a lot nowadays and I wanted observe through news that are all the companies doing this by the law. Later on in the thesis there will be interview results based on this law.

The law of employee co-operation negotiation consists of 10 chapters, each with separate clauses. The law gives companies a backbone of how to go through employee co-operation negotiations in order to respect both employer and employees.

3.2 LAW SECTIONS THAT ARE RELEVANT TO THE RESEARCH

As I was preparing the interview I went through the Finnish law of co-operation and picked up the sections that I found interesting and most useful for the research. I wanted to know how the companies followed the law from the point of view of employees. In addition, I wanted to show respondents these law sections since I guess that not all of them are familiar with the law of co-operation negotiation.

The law sections introduced here are quoted from the Finnish law of co-operation.

THE GENERAL REGULATIONS

2§ Coverage of the law of co-operation negotiations

“The law is applied to companies in which there are at least 20 employees working regularly. Employees who have part time contracts are taken into account when counting the employees in a company. Employees who have part time contracts which do regular activities in a company are also taken into account in counting the employees. Employees that work temporarily or have exceptional tasks and employees who work short seasonal periods and have part time contracts can be ignored from the number of employees in a company. Employees that have part time contract that work as substitute worker e.g. permanent workers’ substitutes during a period of out of gear. However, in this case the employee who is on out of gear is not counted in to the amount of employees because otherwise the same job would be counted two times” (Työ- ja elinkeinoministeriö, 2014).

This section defines the criteria that a company needs to fulfill in order it to apply the Finnish law of co-operation. This is important to the research since it needs to be known whether the law can be applied to the companies that the employees in the research are working in.

3.2.1 THE PARTIES OF CO-OPERATION

“The parties of co-operation are employer and employees of a company” (Työ- ja elinkeinoministeriö, 2014).

3.2.2 INFORMATION THAT IS GIVEN TO REPRESENTATIVES OF PERSONNEL GROUPS

10§ Information of the economic situation of a company

“Employer has to give information to personnel representatives concerning financial condition of the company. Each and every report has to be in that kind of a form that personnel representatives can understand it” (Työ- ja elinkeinoministeriö, 2014).

In the research I want to know that are the employees really up to date about the financial condition of the company where they are working.

11§ Wage data

“Employer has the obligation to give statistical information about the wages that has been paid to the employees, to personnel representatives once a year” (Työ- ja elinkeinoministeriö, 2014).

3.2.3 THE GENERAL PLANS, PRINCIPLES AND GOALS

18§ Internal reporting of a company

“Principles and rules of internal reporting of a company are issues considered in co-operation if there are at least 30 employees in a company. These are e.g. organizing briefings, newsletters, bulletin boards in addition to issues concerning communication tools such as e-mail and possible intranet rules” (Työ- ja elinkeinoministeriö, 2014).

Internal reporting of a company is very important during the time of co-operation. Moreover, I want to find out how well the companies in the research managed the internal reporting from the employees' point of view.

3.2.4 SETTLEMENT AND DECISIONS OF PERSONNEL

27§ Initiative to negotiate and issues to be discussed

“Employer or personnel representative can present initiative to negotiate whereby issues referred in this chapter have to be negotiated of. In the initiative of negotiation there has to be clarified with main points the issue which is meant to be negotiated and its arguments. The purpose is to agree on matters. In practice it can happen that no agreement is reached and therefore agreeing is not required” (Työ- ja elinkeinoministeriö, 2014).

This law section might provoke thoughts among respondents and that is the reason why I wanted to include this section in the questionnaire.

28§ Negotiations and settlement

“Regardless of which party has made the initiative to negotiate, employer must be active in starting the negotiations. Agreement achieved in co-operation negotiations must be done in writing unless its contents are shown in negotiation minutes or its attachments” (Työ- ja elinkeinoministeriö, 2014).

31§ Decisions of the employers

“Employer makes a decision within a scope of his/her competence if agreement is not achieved

- Questions in general in labor regulations
- Rules of operations and changes made to them
- Principles in division of apartments or defining shares per personnel group” (Työ- ja elinkeinoministeriö, 2014)

3.2.5 INFLUENCE ON EMPLOYEES AND ARRANGEMENT OF WORK CAUSED BY BUSINESS CHANGES

38§ Meeting negotiation objectives

“Employer has fulfilled his/her negotiation objective when s/he has proceeded as described earlier and matters have managed in spirit of co-operation in order to achieve agreement” (Työ- ja elinkeinoministeriö, 2014).

3.2.6 CO-OPERATION IN CONNECTION WITH RELEASE OF BUSINESS

3.2.7 EMPLOYEE CO-OPERATION NEGOTIATIONS WHEN REDUCING THE USE OF LABOR FORCE

47§ Information needed to be given by employer

“When employer is considering to terminate contracts, lay-offing for over 90 days or making employee’s contract part time, at least ten employees, employer has to give representatives of concerned employees the following information in writing

- Arguments of intended actions
- Initial estimate of the number of employees whose contract will be terminated , laid-off and made part time
- Clearance of principles whereby it is stated determinants of employees for terminations of contracts, laying-offs and changing contract to part-time contracts
- A time estimate for putting in action terminations of contract, laying-offs or changing contracts to part time contracts” (Työ- ja elinkeinoministeriö, 2014).

51§ Fulfilling of obligation to negotiate

53§ Employer’s report

3.2.8 VARIOUS REGULATIONS

55§ Right to use consultant

56§ Release from work and compensation

57§ Confidentiality

3.2.9 INCEPTION AND TRANSITION REGULATIONS

4 RESEARCH METHODOLOGY

4.1 RESEARCH METHODOLOGY

When I was studying the material about co-operation negotiation I was thinking how to get the most out of this research. I was going through methods that I could collect data with. I kept in mind that I need to figure out a way to get as much data but still be loyal to the research question. I ended up carrying out the research by interviewing people who have been part of co-operation negotiations in some company.

Finding the interviewees was tricky in the beginning. I asked friends, family and coworkers if they knew anyone who has been part of co-operation negotiations and would agree to answers related to their experiences about co-operation negotiations. Nobody knew anyone, so I decided to use Facebook to find interviewees. I wrote a status in Facebooks which stated the same question that I had asked my friends. Many of my Facebook friends responded and they were willing to give me more information. Using Facebook was very positive experience for me what it comes to finding contacts.

In the end, I sent the interview to 11 interviewees and I received 6 responses.

4.2 RESEARCH DESING

The plan for collecting data consisted of interviewing people and getting as many interviewees as possible. The initial idea was to have face to face interviews in order to get as good answers as possible. However, the interviewees preferred to answer in some other way than face to face interviewing. Finally I decided to send the interviews to the interviewees via e-mail since the interviewees preferred it that way. The interviews were sent to the respondents in the beginning of November. The interviewees then answered to the interview when they had time and sent them back to me. I gave three weeks time to answer to the questions. In my opinion this worked very well although I would have preferred to do face to face interviewing. The

arrangements made to carry out the interviewing were doing the interview, finding interviewees and find a best way to implement the interviews.

The objects of measurement in the research are people who answer the interview. The method used to measure the objects is by interviewing. The interview needed to be designed in a way that measurements and comparisons can be analyzed easily.

4.3 DATA COLLECTION

The data was collected by interviewing people. Interviews were sent to the interviewees and they sent me back the answers. Data collection was the most challenging part of the research. Finding contacts was the first thing to do. After I had sent the interviews, there was the waiting of how many would actually answer the interview and send it back. Interviews were sent to 11 people and in the end 6 of them sent me back the interview with answers. It took some amount of effort to make this data collection happen.

4.4 RELIABILITY AND VALIDITY OF THE RESEARCH

To me reliability of a research means that a research is made in a way carefully that the results of the research can be repeated. In addition, as I did the interviews in Finnish language and received the answers in Finnish as well, the translations needed to be made carefully. If there are mistakes in translation of answers it makes the reliability of the research weaker.

Considering these factors I would say that the result of the research can be repeated. However the number of respondents in the research was not the best possible number. There were only six respondents so that weakens the reliability. The more respondents I would have in the research the more reliable it had been. I have translated the answers of the interviews as carefully as I can but as I did alone it weakens the reliability. It would be more reliable if there were few other people translating them as well.

Validity of a research means that the conclusions made out of results are trustworthy. Also, validity means that in research it is important to research what was intention to research. It decreases validity if the initial research is not shown in the conclusions.

The conclusions made based on the results in this research is maybe not that valid since there were not that many respondents and because of that the results can't be trusted that much. In my opinion my research is all in all quite valid what it comes to these criteria of validity. In the thesis I did not change what I was researching. In addition the respondents were employees from different professions. Moreover, this makes the research more vivid.

5 DATA ANALYSIS AND RESULTS

5.1 INTERVIEW RESULTS AND ANALYSIS

As already mentioned six persons were interviewed for this research. The results and analysis here are based on the interview answers. The interview is divided in three sections, so I will go through each section separately.

5.1.1 GENERAL QUESTIONS

The following table shows the variability of the respondents.

Table 1. Variability of the respondents

GENDER	AGE	OCCUPATION	EDUCATION	COMPANY
Female	32	Chef	Vocational examination Chef	Nuorten Ystävät, nursing home for autistic youngsters
Female	24	Nurse	Nurse	TYKS
Female	22	Factory worker	Comprehensive school	Trafotek Oy
Male	29	Investment advisor	Bachelor of Business Administration - International Business	An international bank operating in Turku
Male	34	Department chief	Bachelor of Business Administration – Data communications	Gigantti
Male	28	Software Engineer	Engineer	A small software house in Turku

From the table we can see that out of the six respondents half are male and half are female. The age range is from 22 to 34. The occupations and companies vary significantly from each other. Moreover, it is good for the research to have opinions of employees from different fields of occupations since this is a research which purpose is to find out how co-operation negotiations were conducted in different companies.

5.1.2 CO-OPERATION NEGOTIATIONS

The respondents had been working in the companies from 1 to 7 years before the employee co-operation negotiation started.

Figure 1. Employment in company before co-operation negotiation



From the results it can be seen that on average males had been working a longer time period before the start of the co-operation than females. Males had been working on average 3,3 years before the start of co-operation negotiations and females on average 1,7 years.

Most of the respondents did not know about the start of co-operation negotiations beforehand. However, when asking whether there were any signs that referred to the start of co-operation negotiations, half of the respondents answered that they heard rumors and half had not noticed any signs.

Most of the respondents stated that the co-operation negotiations took place in the year 2013 in the company where they worked at the time. Two of the respondents did not experience co-operation negotiations in 2013. Male respondent stated that there was co-operation negotiation in 2009 in Gigantti. Gigantti is an electronics store. The other male respondents experienced co-operation negotiation in 2012 in the small software house in Turku. The respondents did not want to give any detailed information about the company. The fields of work in which the rest of the respondents worked in 2013 when co-operation negotiation started were financing sector, healthcare sector and production sector. All of these sectors have been going through changes. In financing sector, internet plays a big role nowadays. For instance people do not go to banks that much anymore because they have internet bank. In healthcare sector the changes take place because there is not enough money. In production sector, there are more and more robots replacing the employees. It can be noticed that a year 2013 was very dark year for employees what is comes to co-operation negotiations. From the beginning of the year 2013 by 16th December 2013 there has been 478 companies going through co-operation negotiations.

The following graph shows how respondents received the information about the start of co-operation negotiations.

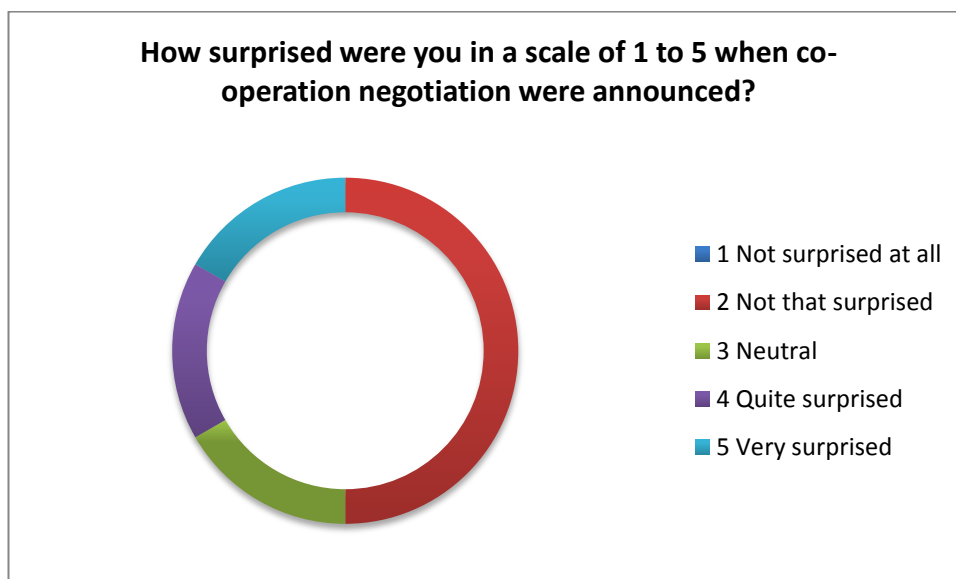
Figure 2. How the information of the start of co-operation negotiation is received



From the graph it can be seen that most of the respondents received the information from superior. The second one is staff meeting. These were the two options that I expected the respondents to choose, because in my opinion if an employee hears about this big occurrence from co-worker or from news, it shows that a company is bad in discretion.

The following graph shows how surprised the respondents were as co-operation negotiations were announced.

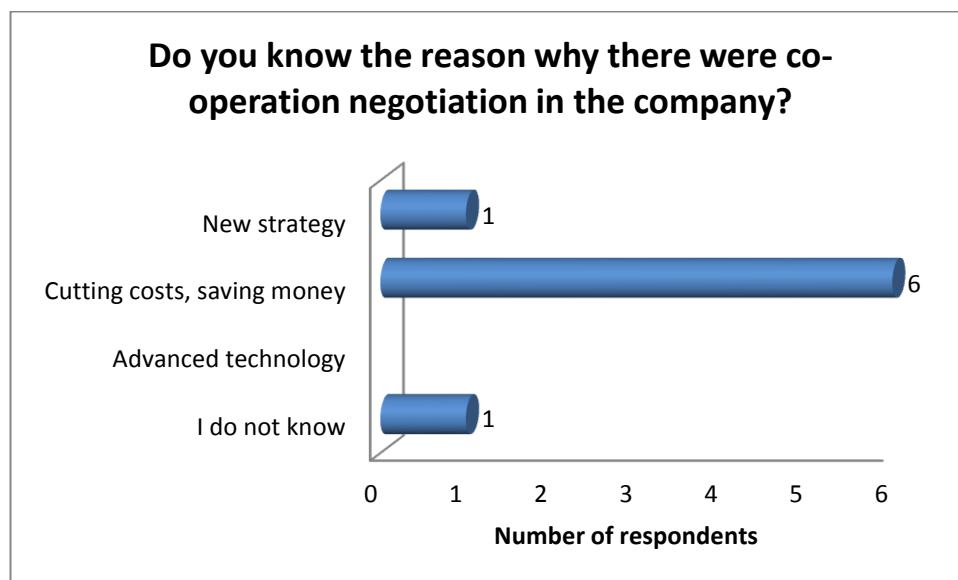
Figure 3. Surprisement rate when co-operation negotiation was announced



The graph shows that most of the respondents were not that surprised and the rest were neutral, quite surprised and very surprised. Not a single respondent answered that they were not surprised at all of the start of the co-operation negotiation. This shows that most of the respondents maybe did not have a clue about the event to come but still were aware of the situation of the company and that is why they were not surprised.

The following graph shows what the respondents think is the reason behind the co-operation negotiation.

Figure 4. The reason behind co-operation negotiation

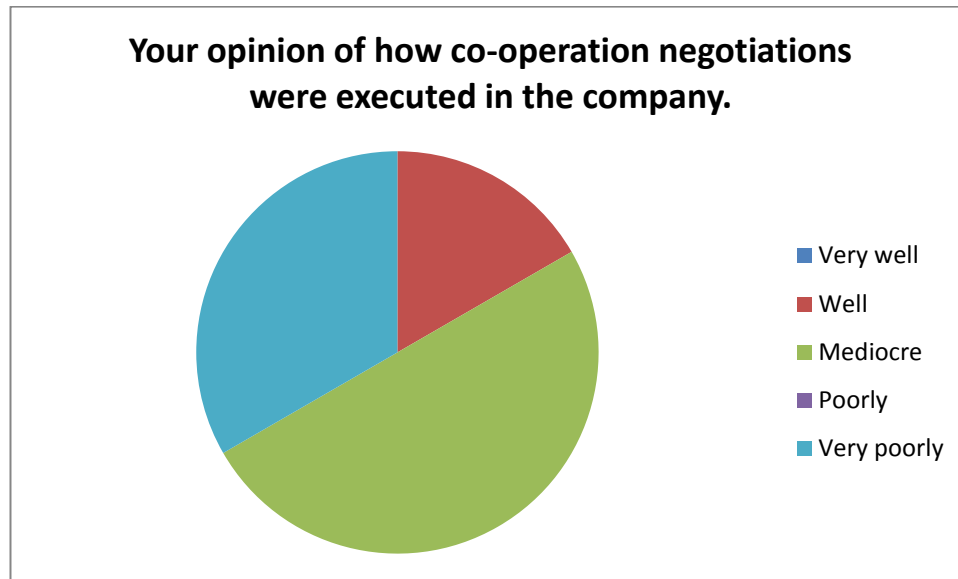


The graph shows that most of the respondents think that the reason why there was co-operation negotiation in the company was cutting costs and saving money. In the part 2.3 of the thesis “Reasons for co-operation negotiation” there were introduced internet newspaper article quotes which most of them stated the reason for co-operation negotiation to be saving money. New strategy was also mentioned in the interview. A male respondent who works in an international bank in Turku answered that new strategy and cutting costs were the reasons why the bank decided to arrange co-operation negotiation. New strategy for a bank is not a surprising move since all the banks in Finland are competing with each other. Banks need to have new strategy to attract new

customers and keep the old customers. All in all, it can be concluded that in most cases the reason behind co-operation negotiation is money.

The following graph shows what is the respondents' opinion of how co-operation negotiations were executed in the companies.

Figure 5. How co-operation negotiations were executed in the company

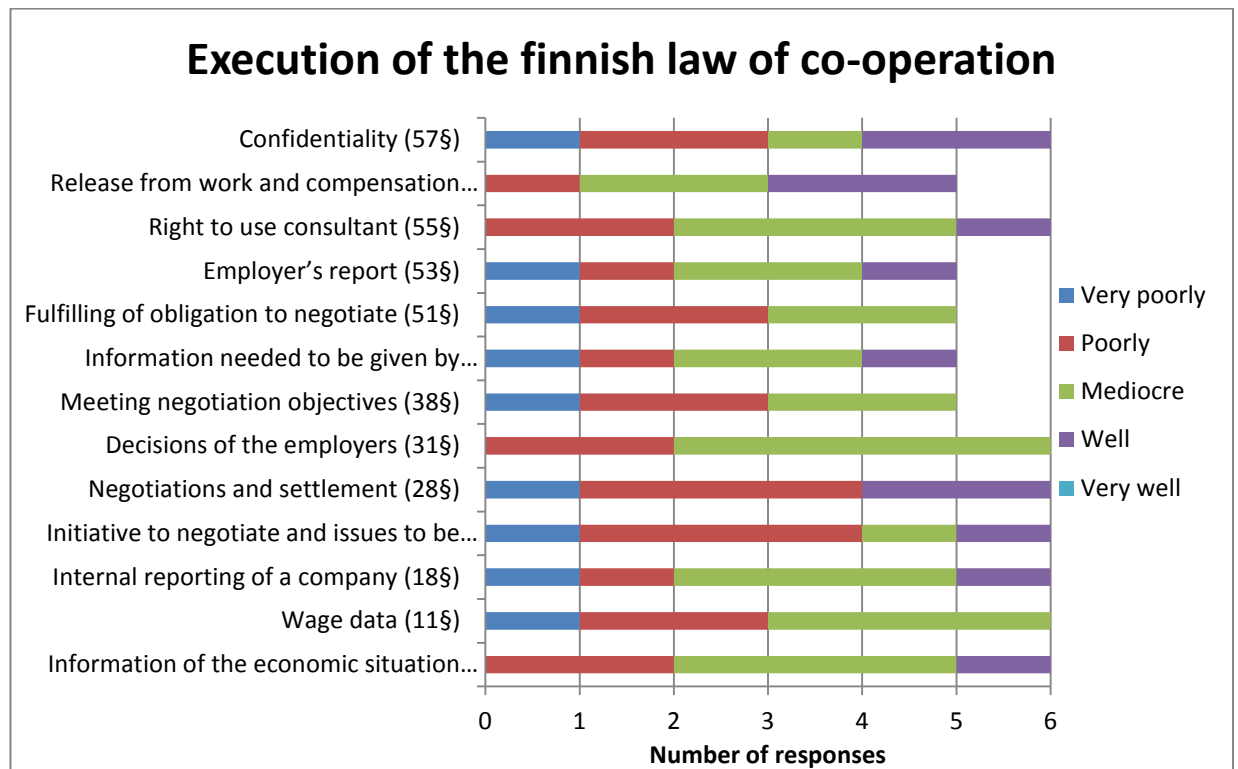


The graph is very important for the research since it directly reflects to the research question of the thesis work, which is “from the employees' point of view how the employee co-operation negotiations was conducted in companies”. Respondents' opinions on how co-operation negotiations were executed in the company varied clearly. The graph shows that most of the respondents think co-operation negotiation was executed mediocre in the companies they worked. However, one respondent stated that she can't know how it really was executed since she had no previous experience to compare with. The second most answered was very poorly. One respondent thought that co-operation negotiation in the company was executed well. To conclude, it can be said that from the perspective of the respondents, companies did not succeed that well in executing co-operation negotiation.

THE FINNISH LAW OF CO-OPERATION

In the questionnaire I put some quotes from the law of co-operation that I asked the respondents to evaluate how they were conducted in the companies where they were working. All of the answers can be seen in the following graph.

Figure 6. Execution of the Finnish law of co-operation



The graph shows the opinions of respondents on law sections. In the graph it can be observed that there is not a single *very well* answer from respondents. However, it can be seen that there have been answered *very poorly* several times. It can also be observed that there are more *poor* answers than *well* answers. Out of this information we can already make the conclusion that the companies in the research did not succeed that well in executing these law sections from the point of view of employees.

The following table shows the ranking of the law sentences from the best ranked to the lowest ranked.

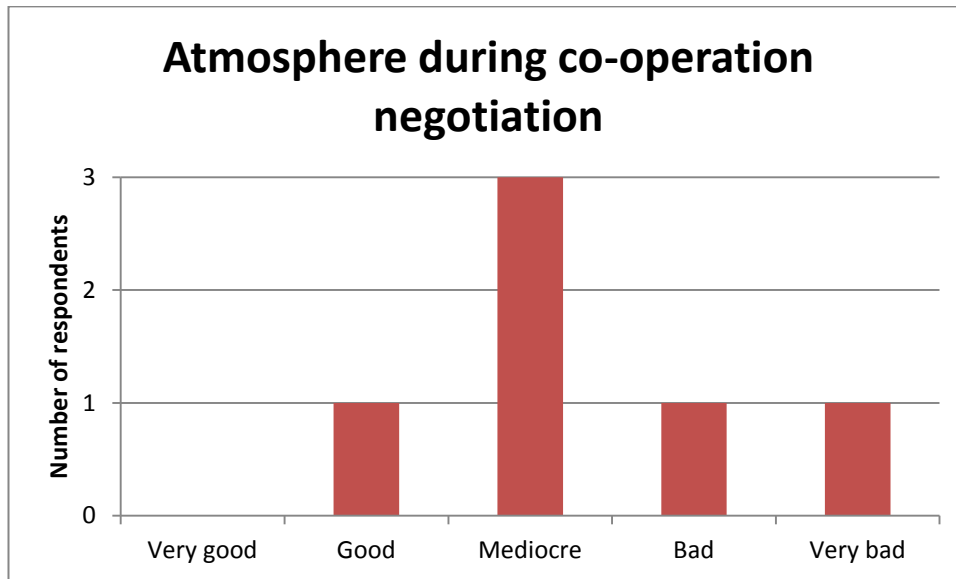
Table 2. Ranking of the law sentences

WEAKEST RANK
Initiative to negotiate and issues to be discussed 27§
Negotiations and settlement 28§
Decisions of the employers 31§
Wage data 11§
Meeting negotiation objectives 38§, Fulfilling of obligation to negotiate 51§
Confidentiality 57§
Internal reporting of a company 18§
Information needed to be given by employer 47§, Employer's report 53§
Information of the economic situation of a company 10§, Right to use consultant 55§
Release from work and compensation 56§
BEST RANK

The respondents feel that the law section 27§ "Initiative to negotiate and issues to be discussed" was the worst executed during the co-operation negotiation. In other words, the respondents feel that they did not have enough information about what was negotiated of during the co-operation negotiation. On the other hand the law section 56§ "Release from work and compensation" was executed the best from the employees' perspective. Moreover, the respondents felt they were well informed about the situation if someone's contract would be terminated.

The respondents' opinion about the atmosphere can be seen in the following graph.

Figure 7. Atmosphere during co-operation negotiation



Most of the respondents thought that the atmosphere at the workplace was mediocre which tells us that in most of the cases it wasn't as bad as it could have been in that situation. However, the atmosphere at work has been more negative than positive from the employees' perspective. This is not a surprising result since having to be part of co-operation negotiation is not a pleasurable situation for anyone. This reflects to the atmosphere of work place.

THE PROCESS OF CO-OPERATION NEGOTIATION

I asked the respondents if they were familiar with the law of co-operation and most of the respondents did not actually know about the law. This result did not surprise me at all but it is concerning that people that have been part of co-operation negotiation do not know about the law of co-operation. One respondent knew about the law and one respondent did not know in the beginning but received information as the process went forward.

The respondents were asked if they investigated material related to co-operation negotiations. Again, most of the respondents did not bother to do that. Only one respondent had been very active in finding out information in the internet and reading articles about co-operation negotiations in trade union's webpage.

When asking if respondents asked advice from consultant or lawyer half of the respondents answered no. The other half on the other hand had been more active. One respondent answered only yes and did not specify any deeply from whom he asked advice. One respondent stated that he had chatted with shop steward. The last respondent did not ask advice herself but she knew her co-workers had asked advice with poor success "some people tried to ask information from trade union representatives and personnel office. For long, nobody knew anything. Still it is for instance unclear for how long will the waiting time of unemployment benefit last".

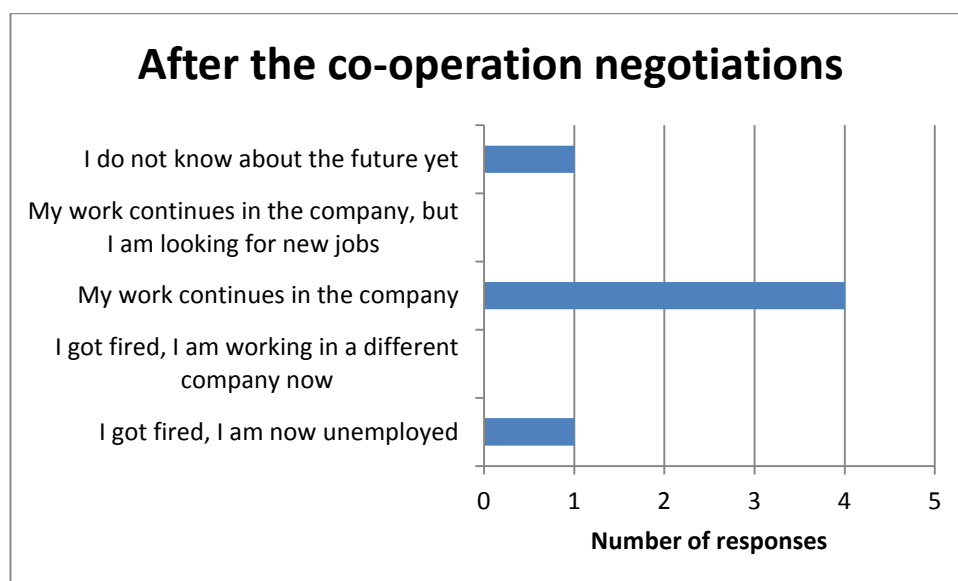
EARLIER EXPERIENCE

According to the interview any of the respondents did not have earlier experience of co-operation negotiations. It would have been good for the research if there were someone who had earlier experience of co-operation negotiations because there would have been more perspective in the research.

5.1.3 PRESENT DAY

The following graph shows what happened to the respondents after the co-operation negotiations.

Figure 8. After co-operation negotiation



Most of the respondents in the research got lucky and they got to continue working in the company. One of the respondents got fired and one does not know about the future yet.

Table 3. The change as employee after co-operation negotiation ended

Here are answers that respondents answered when asking did they change as an employee after co-operation negotiation in the company ended.

“Yes, certainty of work stopped and trust in future staggered a little during the negotiations and relief after it ended was big .I decided that as long as I am working I aim at ensuring with my own input that I will most likely not be diminished but I am an important part of the organization.”

“I can’t execute my work as I would like to. We have a total ban of overtime work, so one has to leave as the working time ends. Earlier workdays could have easily become longer. There is simply not enough time and resources to execute the work properly.

“My attitude towards the employer became more critical and I understand weak position of employees in the negotiations. I also understand that for instance in smaller companies management group is in difficult position in bad financial situation.”

There comments clearly show that co-operation negotiation was not a positive experience for the respondents. The only positive thing I noticed is that in the first quote the respondent stated that she will do more work in order to be irreplaceable. The respondents generally respect more of their jobs that they still have but not the employer that much anymore. In addition, the respondents clearly try to understand why employee co-operation took place in the company.

Table 4. How co-operation negotiations affected to the lives of respondents

The following responses came up when asking respondents how co-operation negotiations affected in their lives:
“I was very uptight and sometimes very sad during the process. The experience was mentally very heavy and the end of negotiations was a big relief.”
“I constantly have to think upcoming unpaid week and how can I handle my finance then. I think whether I can pay the mortgage and everything else. I am also afraid of when they will lay off people again. As it has once been done it might still happen in the future.”
“I was stressed.”
“I joined the trade union.”
“Co-operation negotiations create a certain uncertainty but one cannot put their life on a break because of co-operation negotiation.”
“Work ran out, nowadays I am in part time jobs every now and then. Jobs are poorly available.”

It can be observed once again that the experience did not cause positive feelings. The respondents seem generally very worried about their lives during the process. Nobody mentioned that they received any help from the employer or it was offered to them. Moreover, when thinking of the research question “from the employees’ point of view how the employee co-operation negotiation was conducted in companies”, the employer did not support these employees during the process.

Table 5. Respondents' thoughts about co-operation negotiations

The following responses are respondents' thoughts about co-operation negotiations:
"I understand the need co-operation negotiation if a company is not making necessary result and expenses are high. However, when peoples' living is uncertain my thoughts are very negative about it."
"I am very disappointed of my employer. Trust and respect are lost."
"I have not very positive thoughts."

The responses show once again that the general thoughts of co-operation negotiation are negative. In addition, there is one respondent trying to understand why there are co-operation negotiations arranged in companies. We also need to keep in mind that for employer it is a hard thing to keep up a good spirit at work during co-operation negotiation. No matter how delicately the process is done, it does not make co-operation negotiation look any better than it is. Employees see co-operation negotiation in negative light no matter what.

In the interview I presented the respondents statistics made by Suomen ammattiliittojen keskusjärjestö which is based on public information about employee co-operation negotiations and its results during 1.1.-31.10.2013. In the statistics there was mentioned that during that time 10,721 persons got fired and 12,279 persons have been laid off. In the the statistic there is the whole year 2013 but as the interviews were made in the beginning of November, I have to give them different statistics.

These are the thoughts that respondents came up with:

"Boosting processes, automatization of work and development of technology is taking the world to the direction that "survival of the fittest" starts to affect to each one of us lives."

"It is such a shame that these situations are to be driven that there is no other option."

"I haven't take notice of this thing but based on that statistics in my opinion the number of people fired and laid off is big."

"Alarming thoughts. Particularly public companies have to make better result and savings are often made with employees' expense."

Respondents were asked how do they think that the booming co-operation negotiation trend will affect on Finnish economy and well being and here are they thoughts:

"Very badly."

"Well being and trust of people decreases."

"People lose their trust to companies and commercial enterprises that operate as foundation pillars of life."

Respondents free comments about employee co-operation negotiation mainly consisted of comments that referred to frustration and distressing. As this was the last question of the interview, the respondents seemed repeating themselves at this point. It could be seen that the same things repeated. The main conclusion to be made is that employee co-operation negotiation was not a positive experience but it made people more aware of their work.

6 CONCLUSIONS OF THE RESEARCH

6.1 RESEARCH FINDINGS

As the research question stated “from the employees’ point of view how the employee co-operation negotiations was conducted in companies”, the purpose of the research was to find out how the employees feel that employer executed co-operation negotiation in the company.

The results showed that respondents heard rumors about the start of co-operation negotiation before the actual announcement of the start of co-operation negotiation. From the employees perspective this is not pleasant since they have to live in uncertainty. However, respondents were generally not surprised of the start of co-operation negotiation in the company. Whether it was because of the rumors or not, the respondents still have had some clue what has been going on in the company. Respondents also know that the times in the Finnish society are hard which forces companies to take action and e.g. arrange co-operation negotiations.

What I found out was positive is that respondents got to hear about the start of co-operation negotiation at work from superior or in staff meeting. Nobody had to hear it from news or from co-worker. Moreover, there was a superior or management group telling the employees about what will occur in near future. In addition, because of that I think why respondents all knew what was the reason behind the co-operation negotiation in the company and that is the reason why the respondents clearly tried to understand the reasons behind the process.

What it comes to employer executing the law sections of the law of co-operation, the most common ranks were mediocre and poorly. In this part the companies did not succeed that well what it comes to executing the co-operation negotiation.

Atmosphere during the process of co-operation negotiation was experienced a bit under mediocre. This is not a pleasant thing since the process usually takes many months. To be honest I do not think that the employer can do much since it does not make co-operation negotiation look any better from the point of view of employees. The process affected a lot to the respondents. Generally in was not a pleasant experience for the respondents but it seemed that they had learned a lesson of life; one cannot take a job granted nowadays.

All of the respondents except one did not know about the law of co-operation. In addition, all of the respondents except one did not investigate any material concerning co-operation negotiation. This shows that the respondents in general were a bit careless what it comes to finding out information on their own. However, half of the respondents asked advice from various authorities such as shop steward and trade union representative. The other half basically did nothing and they were experiencing something that could have affected their lives considerably.

To answer the research question companies in the research executed co-operation negotiation a bit under mediocre but still not poorly from the employees' perspective.

The outcome could have been expected to be what it turned out to be. As I mentioned earlier, we need to keep in mind that for employer it is a hard thing to keep up a good spirit at work during co-operation negotiation. No matter how delicately the process is done, it does not make co-operation negotiation look any better than it is. Employees see co-operation negotiation in negative light no matter what because it makes the future look uncertain.

6.2 SUGGESTION FOR FURTHER STUDY AND ERROR

Suggestions for further study would be collecting more respondents to answer the interview, developing the interview and do the interviews face to face. There should definitely be more respondents since it would make the research more reliable. By developing the interview I mean structuring it better with more

specific questions and leaving out unnecessary questions. Developing the interview together with face to face interviews would guarantee better answers from the interviewees.

Errors of the research are the number of respondents and that they had no earlier experience of co-operation negotiation. Also, there might be translation mistakes that cause error. There were only six respondents in the research which might be considered to be error since it does not make the research that reliable. In addition the respondents have not experienced co-operation negotiation before which might have affected to part of the questions. I translated everything myself, so there might be mistakes that I did not do on purpose but I did not recognize.

7 SOURCE MATERIAL

Books

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Iltasanomat. Referred 15.10.2013. www.iltasanomat.fi

8 APPENDIX

INTERVIEW

There are in total of 20 questions related to co-operation negotiations. You do not have to answer to questions that do not concern you. I hope to receive wide answers to the questions, so feel free to share all your experiences and thoughts. The interview is carried out for thesis work.

GENERAL QUESTIONS

Name:

Is the name allowed to publish in thesis work?

Yes: No:

Age:

Occupation:

Education:

CO-OPERATION NEGOTIATIONS

1. A short introduction of the company where you worked during the co-operation negotiations.
2. What kind of positions have you had in the company?
3. How long have you worked in the company before the beginning of the co-operation negotiations?
4. What was your position in the company when the co-operation negotiations started?

5. Did you know beforehand that the company would start co-operation negotiations?
- Were there any signs showing that co-operation negotiations were about to start soon?
6. When did co-operation negotiations take place in the company where you were working?
7. How did you receive the information of the start of co-operation negotiations? (Choose the correct option)

Superior	
Co-worker	
Staff meeting	
News	

Other,what?:

8. How surprised were you in a scale of 1 to 5 when co-operation negotiations were announced? (1=not surprised at all, 5= very surprised)

1	
2	
3	
4	
5	

9. Do you know the reason why there were co-operation negotiations in the company? (Choose the correct option)

I do not know	
Advanced technology	
Cutting costs, saving money	
New strategy	

Other,what?:

10. Your opinion of how co-operation negotiations were executed in the company? (Choose the correct option)

Very well	
Well	
Mediocre	
Poorly	
Very poorly	

Comments:

11. The following sentences are quotes from the law of co-operation. In your opinion, how well were they executed in the company during the co-operation negotiations?

	Very poorly	Poorly	Mediocre	Well	Very well
Information of the economic situation of a company (10§)					
Wage data (11§)					
Internal reporting of a company (18§)					
Initiative to negotiate and issues to be discussed (27§)					
Negotiations and settlement (28§)					
Decisions of the employers (31§)					
Meeting negotiation objectives (38§)					
Information needed to be given by employer (47§)					
Fulfilling of obligation to negotiate (51§)					
Employer's report (53§)					
Right to use consultant (55§)					
Release from work and compensation (56§)					
Confidentiality (57§)					

Comments:

12. How would you describe the atmosphere at work during the co-operation negotiations?

Very good	
Good	
Mediocre	
Bad	
Very bad	

Comments:

13. Referring to the process of co-operation:

- a. Are you familiar with the law of co-operation?
- b. Did you investigate material related to co-operation negotiations?
- c. Did you ask advice from consultant or lawyer?

14. Have you been part of co-operation negotiations before?

- a. What kind of experience have you got from the previous co-operation negotiations?
- b. How would you compare the experiences to the latest co-operation negotiation experience?

PRESENT DAY

15. After the co-operation negotiations. (Choose the correct option)

I got fired, I am now unemployed.	
I got fired, I am working in a different company now.	
My work continues in the company.	
My work continues in the company, but I am looking for new jobs.	
I do not know about the future yet.	

Comments:

16. Did you change as a worker after co-operation negotiations ended?

17. How co-operation negotiations affected on your life?

18. What kind of thoughts you have about co-operation negotiations in general?

19. According to Suomen ammattiliittojen keskusjärjestö, SAK, statistics which is based on public information about employee co-operation negotiations and its results 1.1.-31.10.2013, there has been 10 721 persons being fired and 12 279 persons have been layed off. The statistics is based on the public announcements of co-operation negotiations and the outcomes.

a. What kind of thoughts this arouses?

b. How do you think that the booming co-operation negotiation trend will affect on Finnish economy and well being?

20. Free comments about co-operation negotiations: