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Which Factors Influence New Zealand Registered Nurses To Leave Their Profession?

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Abstract

In the context of a looming shortage, this study uses qualitative data to understand why registered nurses leave the profession in New Zealand, and identify what can be done to retain them. Our analysis points to a set of factors that is positive for retention, including the opportunity to express a value of caring, supportive relationships, and career development prospects. If not experienced, however, these factors can repel registered nurses from the profession. A second set of factors is clearly negative, such as heavy workload demands, bullying, and problems of work-life balance while a third set is economic and demographic.

Key words: nursing shortage, employee retention, occupational commitment, health sector

Introduction

A fundamental challenge for the health sector lies in the demographic shift affecting both the community (the potential patients or clients) and the workforce that serves them. As in other developed economies, the New Zealand population is aging because of increased life expectancy, advances in medical technology, and declining fertility rates (Bascand, 2007; Joumard, Andre, & Nicq, 2010). The number of New Zealanders aged 65-plus is projected to climb from 650,000 in 2014 to more than one million in the late 2020s (Statistics New Zealand, 2014). As a direct consequence, the prevalence of chronic disease is increasing dramatically, with a growing number of people experiencing multimorbidity (Banerjee, 2015). The economic effect of aging populations and the increasing prevalence of chronic disease is a major concern for health systems in all developed countries (ibid). These costs can include direct costs (subsidising providers, pharmaceuticals, providing income support), underlying costs (capital and equipment) and indirect costs (reduced employment or social productivity) (National Health Committee, 2005).

The nursing workforce plays a critical role in providing health care, not only in traditional settings, such as hospitals and long-term care institutions, but increasingly in primary care and in homecare settings. But like the population they serve, New Zealand's registered nurses (RNs) are

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aging, with 46 per cent aged 50-plus (Ministry of Health, 2014). Research has shown a steady decline in the retention of RNs from the age of 50 years (Nursing Council of New Zealand, 2011). North, Leung, and Lee (2014) reported that, in New Zealand between 2006 and 2011, one-quarter of RNs aged 50-plus left the workforce. Permanent leaving rose sharply at 64 years, as retirement fund-eligibility (at 65 years) approached. Any escalation in rates of resignation or retirement of RNs potentially threatens the viability of the health and disability system, which has prompted actions to increase the training of new RNs in combination with efforts to increase the retention of those currently in the profession.

Aging populations and an increasing prevalence of chronic disease continue to increase the demands on healthcare services and, thus, place pressure on health systems to ensure a sustainable supply of nursing staff who are willing to work in the system. Although there is a plethora of research on the career behaviours of RNs, the focus has largely been on organisational, rather than occupational, turnover. Occupational commitment is linked with various positive outcomes, including lower absenteeism and higher work engagement (Freund, 2005) and is inversely linked with intentions to leave a profession (Hackett, Lapierre, & Hausdorf, 2001). Current understandings of why RNs leave the profession remain limited (Gilmartin, 2013; van der Heijden, van Dam, & Hasselhorn, 2009), partly due to a lack of in-depth qualitative analysis. More research is needed because occupational turnover results not only in withdrawal from the specific healthcare institution but also in withdrawal from the nursing profession itself.

To some extent, the looming shortage has been alleviated by recent economic events. Following the onset of the Great Recession in 2007, the number of RNs in paid employment increased (Buerhaus, Auerbach, & Staiger, 2009). In the United States, hospital employment of RNs increased by an estimated 243,000 in 2007 and 2008, the largest increase during any two-year period in the past four decades (Buerhaus, 2012). Similarly in New Zealand, the number of practising RNs per 1000 population increased from 10.6 in 2009 to 11.5 in 2015 (Ministry of Health, 2016). However, commentators point out that RNs who re-entered or extended their involvement in the workforce because of negative economic effects on their family may be more likely to leave their jobs or reduce their hours once the family's financial situation improves (Buerhaus et al., 2009; Staiger, Auerbach, & Buerhaus, 2012). The temporary reprieve in workforce stability is not likely to last and we would be very unwise to ignore the longer-run trend.

Solutions that address the anticipated nursing shortage are likely to focus on the motivations of RNs and incentives to recruit and retain them despite their changing circumstances. Many RNs think that they are unfairly financially rewarded for their efforts, or they have conflicting expectations with their managers and cannot provide the comprehensive care expected, so are disillusioned with the profession (Buerhaus, 2009; Cohen, Stuenkel, & Nguyen, 2009). They often have intense and demanding workloads, which result in them feeling emotionally and physically exhausted (Huntington, Gilmour, Tuckett, Neville, Wilson, & Turner, 2010). Many others experience bullying by their peers (Foster, Mackie, & Barnett, 2004). It is unlikely that simply training more RNs will help avoid a shortage; therefore, policy development needs to address the 'discontents' of current RNs and consider innovative ways to retain them. Increasing the inflow into any critical profession addresses only one side of the problem. We need to

complement this with actions that reduce the outflow. Finding ways to delay the retirement of RNs, for example, is an important factor in addressing the issue of nursing shortages (Hasselhorn, Muller, & Tackenberg, 2005).

In this context, our goal is to better understand why RNs leave the profession. In this paper, we report findings from a set of qualitative interviews designed to examine the occupational commitment of New Zealand RNs: what draws them to nursing as an occupation and what repels them from it? We begin by describing our method and then explain the results of our data analysis. This leads into our discussion, limitations and conclusion.

Method

Our study adopts a critical realist perspective. Critical realism is committed to ontological realism (where there is a reality, which is structured and layered and independent of the mind), epistemological relativism (where beliefs are socially produced) and judgemental rationalism (that there are justifiable grounds for preferring one theory over another) (Bhaskar, 1989; Patomaki, 2000). Researchers working within this philosophical schema understand that there are many approaches to research, which cross the traditional quantitative–qualitative divide and that the differences between methods are not always as extreme as they are made out to be (McEvoy, 2006). This article reports an exercise in qualitative data gathering and analysis, which brings its own insights and which can help to inform subsequent quantitative research. Research commenced after ethics approval from The University of Auckland Human Participants Ethics Committee (Ref 9447).

Sample

To understand the factors that might affect the decisions RNs make around leaving the profession, we conducted interviews with purposively-selected RNs and nursing leaders (n=24) working in Auckland, New Zealand. A framework was developed to ensure that the sample was diverse in terms of hierarchical levels, different areas of nursing practice (hospital, community and residential care) and different stages of career. Interviews were held with 12 RNs working in non-leader roles, seven in operational management roles, and three in executive management roles. Seven interviews were with those working within a tertiary hospital setting, 10 within a primary care or community setting, and five within the residential care setting. Participants were from Māori, Pacific Island, Asian, Indian and European descents. Two additional interviews were conducted with health leaders from Health Workforce New Zealand and the Nursing Council of New Zealand. Two participants were men and 22 were women. Sampling continued to the point at which no new information was obtained and data saturation had been reached (Polit & Beck, 2012).

Data collection

Semistructured interviews were undertaken in 2013 at a time and place convenient to participants. Participant information and consent forms were provided in English. Written informed consent was gained on the day of the interview. Face-to-face interviews were regarded

as the best method of collecting qualitative data because of the quality of information they yield (Polit & Beck, 2012). Confidentiality was ensured.

An interview schedule comprising 12 open-ended questions guided a focussed interview exploring issues related to RN retention within the profession. The interview schedule was informed by relevant literature related to the study objectives but we were careful not to impose too much academic structure on the process. We wanted to hear in their own voices what RNs wanted to say about working in their profession and the reasons for leaving it. Examples of questions include "What do you think motivates nurses to work in nursing?" "Could nursing work be restructured to better suit nurses at different life stages?" "What do you think are the main reasons nurses choose to leave the profession?" and "What could be done to ensure that your future nursing career is effective and satisfying?" Interviews were digitally recorded and then transcribed verbatim.

Analysis

A general inductive approach was used to thematically analyse the data obtained from the interviews (Thomas, 2006). The purpose of such an approach is to condense raw textual data into a brief, summary format. The general inductive approach provides a systematic set of procedures for analysing qualitative data. Thematic analysis is not wedded to any pre-existing theoretical framework, and can be used within different theoretical frameworks, including "contextualist" methods, such as critical realism (Braun & Clarke, 2006). Qualitative data were entered into Microsoft Word, read many times to form codes and then condensed into themes. Links were then established between the research objectives and the themes. External corroboration of the thematic analysis was undertaken between the authors to validate the identified themes. Any discrepancies were discussed and the codes and themes adapted accordingly.

Findings

What, then, does our sample of New Zealand RNs have to say about the factors that affect their occupational commitment? Reflection on the voices in our data suggested a threefold categorisation of the forces influencing the retention of RNs. One set of forces, relating to work values, supportive relationships and prospects for career progression, is attractive or has the potential to be attractive. These are factors that participants see as consistent with their personal goals or supportive of their longer-term commitment to the profession. A negative experience with these factors, however, can repel them from the profession. A second set, relating to workload, bullying and work-life interference, is more obviously negative and clearly has the potential to repel: they account for why many RNs have become disillusioned with their profession. Finally, there is a set of forces that relate to the characteristics of the economic climate and the demographic profile of RNs, and where the impacts on retention are more ambiguous. More minor factors, or factors mentioned by only a small number of participants, are not reported here.

Work Values, Supportive Relationships and Career Progression

Value congruence

Many RNs choose nursing because of the opportunity to help others, which they identify with employment in a healthcare organisation. Thirteen participants from across hospital, community and residential care settings, and from across non-leader, operational management and executive management positions, made comments to this effect. For example, one RN commented "I work in nursing because I enjoy working with patients and trying to make a difference in their health outcomes," and one executive manager said "what motivates nurses is actually making a difference." This factor, which typically attracts altruistic people into nursing can, however, repel them from it if the lived reality of nursing does not fulfil the expectation. For example, one RN said, "We are not patient-centred anymore. We are document-centred." Another commented that their work involves "more paperwork than patient care."

Colleague support.

The voices across hierarchies and areas of practice were united on the importance of having good working relationships with other RNs, as well as the wider interdisciplinary team. Fourteen participants discussed how their work colleagues were supportive. For example, one RN stated that "communication with other workmates is always helpful," and another said, "your resources are your colleagues that you're working with because you're always going to them if you need to know anything." One health leader noted that, "nurses draw on the comradery, the professional identity and the professional esteem and the kinship you get from other nurses."

The importance of teamwork was also identified. One executive manager felt that RNs get satisfaction from "working in a team of like-minded people who have a collective goal to make a difference to patients." Another RN thought that "having that team support is really invaluable, so you do not feel isolated." Sentiments of "valuing each other" and "caring for each other" were identified as needed in nursing teams.

Supervisor and managerial support

The other source of direct support comes from the immediate line manager and from those at higher levels of the hierarchy. Eleven participants discussed the importance of these relationships. RNs in executive management roles talked about the need to have "good strong leadership that has a collective vision toward supporting and progressing nursing," and argued that managers "need to be passionate about what they do and share their knowledge and skills, rather than it being a very hierarchical structure." On the negative side, one health leader commented on the lack of support for younger RNs: "nurses often expect our young to hit the floor running and we don't cut them a lot of slack." This was supported by one RN who said that "nurses are not getting the support and education and mentorship they need."

Fifteen of the participants commented on the need for healthcare organisations to invest more fully in developing the leadership capabilities of nursing managers. Suggestions included "more nurse mentor figures that people could go to" and "harnessing good leaders who make things work well on the floor."

Career progression

This attractive force came through comments from participants regarding their opportunities to advance their career. For some participants, this meant progressing into higher-level nursing roles ('moving up the ranks'), whereas for others it meant moving across specialisations or into other domains or types of organisation within the health sector. A younger RN, for example, thought she might leave nursing to move into health management or education, stating, "I do not think I could be on the floor for the rest of my life giving enemas."

Four RNs discussed their frustration at the pace with which they were able to progress into new nursing roles, which they considered a potential reason for RNs to leave the profession. Comments included "it is slow to move up in the ranks," "you have to be kind of committed to one area to earn your right to move up in the ranks and it is a bit disheartening," and "it is very hard to go up, there are not many positions you can rise to."

Workload, Bullying and Work-life Interference

A second set of factors emerged around the demands and stresses of contemporary nursing and the ways in which they affected the rest of the RN's life.

Quantitative demands

Fourteen participants across hierarchies discussed consistently heavy workloads that led to stress and feeling burnt-out by the end of the shift. They identified this as a reason to leave the profession. For example, one RN commented, "there are never any light days and you are constantly all-go from when you start to when you finish and you can get quite exhausted." Another RN noted the link between workload, decision-making and stress by stating, "…having a heavy workload seems to be the biggest challenge. It can be a stressful environment with some of the decision-making because of the type of issues we are dealing with." Participants acknowledged that RNs might leave the profession because of burnout caused by the emotional challenges of caring: "caring all the time is hard."

Nine of the participants connected workload to inadequate staffing levels. For example, one RN stated, "there never seems to be a day when you are fully staffed, so you are always playing catch-up." Participants in managerial roles described the impact increasing workloads was having on the ability of RNs to develop therapeutic relationships with patients. One operational manager stated, "…nurses frequently tell me that they do not have that time to sit down and talk to patients." Other concerns related to skill mix: "we will often have one senior nurse working with a lot of junior nurses and quite a lot of new grads."

Bullying

The issue of bullying between RNs, and between management and RNs, was identified by 15 of the participants. This was acknowledged as a problem by participants from all practice settings and all hierarchies. This was the converse or 'dark side' of the supportive relationships referred to above, and included reference to 'horizontal violence,' which participants saw as contributing

to RNs leaving the profession. Statements included "nursing is notoriously known for bullies," "nurses are their own worst enemies," and "bullying is everywhere." One participant likened the bullying culture in nursing to one of domestic violence, explaining that "the cycle of bullying continues in nursing, until somebody steps in and breaks the cycle." Suggestions for dealing with bullying included "expectations around the cultural environment" that demonstrated zero tolerance for "unsupportive derogatory negative behaviors" and a "process for consequences" when there are breaches in behavior.

Flexible working hours and work-life interference

Seventeen of the participants discussed the importance of flexible working hours. For example, one RN stated, "for me it is all about the flexibility, the fact that I can do the hours that suit me, obviously to fit in with family." The challenges of shift work and having to work nights or weekends were reasons to consider leaving the nursing profession. One RN talked about colleagues who had left nursing because they "could not cope with the shift work" or because they had to work "hours that do not necessarily fit with their family." The majority of comments indicated that there was insufficient flexibility around working hours to accommodate those with families and older RNs wanting to reduce their hours. The effect of greater flexibility was summed up by one RN who said, "…if you give people the hours that suit them, people stay longer."

For many RNs, there exists the need to combine work and family demands, and with the proliferation of dual-career couples, balancing work and home responsibilities has become increasingly difficult, leading to the occurrence of work-life interference. Nine participants discussed the complications around childrearing and working, despite nursing remaining a predominantly female occupation. One RN talked about the pressure on RNs to "manage really big and busy jobs and to manage home lives," and others discussed how their colleagues had left because the organisation was not "family-friendly."

Economic and Demographic Factors

A final set of factors relates to the changing economic context, to the impact of pay levels, and to age profiles in the nursing workforce.

Effects of the recession

Sixteen participants commented on the impact of the economic climate. One operational manager said they had a "really high retention rate at the moment" because of "the financial crisis." An RN suggested that the recession had slowed turnover because "once you have got a good job you kind of want to stay there because you have got a stable job and you should be grateful." Others talked about how the recession had affected families, suggesting that women increased their hours or returned to nursing "when their husbands lost their jobs." One RN talked about the risk of RNs leaving the profession as the economy improves because "if they do not need to put in those amounts of hours, and their husbands are back full-time and have job security, they probably will look at leaving."

Pay

The impact of pay levels divided our participants. Four RNs said that the pay in nursing was now good, with one stating that it "pays more than anything else that I would have skills to do out there." For seven others, pay was still an issue, with one citing that, although "the salary is a lot better than it was several years ago, it is a pretty basic salary, so it has to be something you really wanted to do." Another RN talked about how the "step up" in pay was very slow, and one operational manager thought that primary care is "not as well paid as the hospital."

Age

Eighteen participants across hierarchies and practice settings commented on how the age of RNs might affect their motivations to work but, again, their views on how it did so were varied. Some thought that younger RNs might be motivated by money and travel and were, therefore, likely to turn over more regularly, whereas older RNs were less motivated by pay and were challenged by the demands of work, so consequently wanted to work less. Other participants did not think that the age of RNs affected their working motivations, instead saying it was more about "teamwork, appreciation and appropriate workload." Most participants agreed that older RNs should continue to have an important role within nursing and that attention needed to be placed on developing more innovative roles, such as mentorship. One health leader commented that they wanted to see more "innovation" in how to "use the wisdom of our older nurses without burning them out."

Discussion

In this discussion, we seek to integrate our findings in a way that would help healthcare providers to foster better RN retention in New Zealand. On the one hand, our analysis points to positive factors, which should be capable of retaining RNs. This includes being able to fulfil a cherished sense of caring, which is in line with the concept of value congruence where the values of RNs fit with those of their employer and are able to be realised in the work environment (Dotson, Dinesh, Cazier, & Spaulding, 2014). The findings regarding the importance of good working relationships with colleagues resonates with the role of social support at work in positively improving wellbeing and performance and reducing burnout and absenteeism (Frese, 1999). Additionally, the importance of experiencing supportive relationships with managers resonates with those studies that find that RNs with supportive supervisors and senior managers are more satisfied with their work and are more inclined to stay in their job (Ogle & Glass, 2014; van der Heijden et al., 2009). As with the preceding factors, findings that highlight the desire to work in a sector in which career development is fostered can 'cut both ways'. Where RNs do perceive advancement opportunities, rather than intimidating barriers, these opportunities can make a positive impact on job satisfaction and occupational commitment (Price, 2001). These are factors that can be expected to attract RNs to the profession and to retain them in it.

However, our results also indicate that all these factors can turn out to be negative, repelling RNs from the profession. This occurs when the altruistic promise of a nursing career is dashed by a reality of excessive bureaucracy and unrelenting pressure, making it difficult to express a care-driven ethic. Similarly, the kind of collegial support one is primed to expect from workmates and

managers can be dashed by a reality of bullying, either because RNs are deficient in interpersonal skills in conflictual situations or are simply too busy to express themselves more competently. Furthermore, a desire for career progression can be unfulfilled due to barriers such as a lack of opportunity for vertical movement, caused by tight budgets, or lack of opportunity for lateral movement, caused by excessive regulatory requirements. The difficulty with our first set of factors is not that they are a threat to professional retention but that the experience of them can become negative in a heavily constrained or poorly managed environment.

Our second set of factors is more obviously negative and threatening in terms of RN well-being. They relate to heavy workload demands and to the relatively high incidence of bullying among RNs, which is likely to be associated, at least in part, with tensions relating to sharing the workload, and to the difficulty of achieving work-life balance. As in the research of Huntington et al. (2010), who reported that RNs had intense and demanding workloads, resulting in them feeling emotionally and physically exhausted, our findings point to the impact of workload in generating job dissatisfaction and an intention to leave the profession. Likewise, the findings of this study are consistent with research demonstrating that the level of abuse RNs are subjected to by patients and/or by colleagues connects to intentions to leave the profession (Sofield & Salmond, 2003). In addition, our findings are consistent with the view that work-life interference is associated with lower job satisfaction and greater turnover from the profession (Greenhaus, Parasuraman, & Collins, 2001). These are inherently unattractive aspects of working in the nursing profession in an era in which health demands are growing and in which bureaucratic demands on professionals are escalating, making it more difficult to focus on care-giving. On top of these negative trends, RNs are often employed in organisations that have 24/7 needs for patient care, making rostering issues problematic, and potentially conflictual, in any context. The challenge is one of managing these negative features of the work environment such that their negative impact is minimised or such that RNs regard them as positively managed in their organisation and in the nursing profession more generally.

Our third set of factors may seem to stand apart from the first two kinds, but this is not necessarily the case. In respect of the impact of a changing economic context, this may become less relevant if RNs are attracted by good opportunities for ongoing career development and consider that their needs for flexible working conditions are well-handled. Older RNs may be more inclined to stay if organisational practices in the area of work-life balance are sensitive to their desire to work fewer or more convenient hours or to play a mentoring and less hands-on role (Graham et al., 2014). Similarly, pay levels will be more positively regarded if RNs see them as fair compensation in the labour market and consistent with their level of skill, responsibility and experience in the health system itself.

Clearly, there are systemic issues involved in dealing with the factors identified, which present serious governmental, managerial, professional and personal challenges. Given the centrality of workload issues, the question of the adequacy of government funding of the health system needs to be at the top of this list. The level of funding leads, via the budgets of health care organisations, to staff/patient ratios, thus determining the quality of time that RNs have available for providing the kind of care that respects patients' values, needs and preferences (Boyle, Dwinnell, & Platt, 2005; Gerteis, Edgman-Levita, Daley, & Delbanco, 1993). Our results indicate that whether RNs feel that they have the time to express patient-centred values is

directly related to their level of occupational commitment. An associated issue for government is the impact of bureaucratic models of managing healthcare providers, which involve targets and bureaucratic controls. Although often established with good intentions, these forms of control can undermine the quality of professional work (e.g. Green, 2008) and, perversely, take time away from the 'real job', as our participants indicated.

Government funding, of course, will always entail some limit and governments are entitled to believe that at least some of the problem can be addressed by actions that health managers can, and should, take with a given level of funding to reduce nursing turnover and its costs. This includes, for example, better processes for training and support of RNs working in supervisory or management positions to help them to perform well in these roles. Supervisory and managerial support, like the quality of care, is another variable that can attract or repel. In partnership with educational institutions, unions and RNs themselves, management is also in a position to develop better approaches to bullying to assist RNs with conflict management under conditions of pressure. It is also open to management and unions to review current policies affecting work-life balance, which continue to frustrate the RNs in our sample. Scheduling flexibility, and workload balancing, is a complex issue but our results indicate that it is one of the keys to retaining RNs in their profession. Two groups stand out as needing special attention. One is that group of RNs seeking to balance career development, financial needs and care-giving for dependent children, and the other is the older cohort of RNs, who may be motivated by an ongoing interest in the work but who are averse to inflexible schedules or simply to too much work. Given that work-life interference increases intention to leave the profession (van der Heijden et al., 2009), this issue should be commanding a high level of attention in the health system.

Limitations

During the data collection, the interviewer's personal attributes such as age, body language, experience, or profession could have impacted on study participants' behaviour and responses. Because of the nature of this study, employees might have been hesitant to discuss sensitive issues regarding their employment for fear of jeopardising it. Confidentiality of participants was ensured to help counter this.

Conclusion

The combination of an aging population, the increasing prevalence of chronic disease and multimorbidity, and an aging nursing workforce are contributing to a looming global shortage of RNs. Our analysis of qualitative interviews of New Zealand RNs and nursing leaders has pointed to three sets of interrelated factors affecting nursing retention. There is a set of potentially positive factors, which should be capable of improving the retention of RNs, such as the opportunity to express a cherished value of caring, the experience of supportive relationships with work colleagues and managers, and the prospects of career development within and across the health sector. In an ideal world, these inherently attractive factors would underpin healthy levels of retention of RNs in their profession. The data show, however, that all these factors, if not experienced in reality, can turn out to be negative, repelling RNs from the profession.

A second set of factors is more obviously negative and unattractive, relating to heavy workload demands, to the relatively high incidence of bullying among RNs, which is likely to be related to work pressures, and to the difficulty of achieving work-life balance. Health funders, health managers, nursing unions, educational institutions and RNs themselves all have a role to play in addressing these threats to RN retention such that their negative potential is minimised or such that RNs regard them as positively managed in their profession.

A third set of factors concerns the impact of economics, in terms of the wider economic climate and the fairness of pay within the sector, and of nursing demographics. Dealing more effectively with the first two sets of factors should reduce the risks presented by these factors. Overall, our message is that RN retention is likely to improve when the inherently attractive features of the profession and the health sector are experienced as such and when the unattractive features of the profession and the sector are managed as positively as possible.

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Understanding the effects of Intra-Group Conflict: A Test of Moderation and Mediation

GAYE GREENWOOD* and JARROD M. HAAR**

Abstract

Intra-group conflict represents the dysfunction that can exist within a team and is likely to lead to poor outcomes including functioning and performance. The present study explores the links between intra-group conflict and job satisfaction, where we expect individual team members to be less satisfied when they perceive greater intra-group conflict. We extend understanding by testing negative affect (mood) as a mediator, suggesting the fighting within teams leads to bad moods that subsequently, lower job satisfaction. We also test supervisor support, suggesting it might moderate the influence of intra-group conflict, reducing detrimental influences. Using a sample of 130 New Zealand employees working in teams, we find that intra-group conflict is significantly related to negative affect and job satisfaction (positively and negatively), with negative affect partially mediating the influence of intra-group conflict on job satisfaction. Similarly, we find supervisor support is significantly related to negative affect (negatively) and job satisfaction (positively), as well as moderating the influence of intra-group conflict on negative affect. Ultimately, the interaction shows that high supervisor support buffers the influence of intra-group conflict on negative affect. We discuss the implications of intra-group conflict and the role of supervisors in aiding work and wellbeing outcomes.

Keywords: Intra-group conflict, job satisfaction, negative affect, supervisor support, mediation, moderation.

Introduction

Workplace conflict is dynamic, relational and interpretive. Thomas (1976) said conflict was "the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his/hers" (p. 891). Literature consistently defined conflict as a 'process' involving a dynamic sequence of events, with cognitive, behavioural, emotional and interpersonal responses between individuals and groups (Jehn, 1997; Rahim, 2002). Conflict emerges from interpretation of differences "about interests and resources, beliefs, values or practices that matter to individuals and teams" (De Dreu & Gelfand, 2008, p. 6). However, conflict about what 'matters' is not always a negative phenomenon – thus the dichotomy of conflict is complex. For example, conflict might lead to new solutions and thus improve performance, while at other times conflict might be strictly detrimental (Spell, Bezrukova, Haar, & Spell, 2011). Authors have conceived conflict as both a destructive problem (Pondy, 1967) and an opportunity (Walton 1969; Deutsch, 1973), the influence of workplace conflict on individual wellbeing functioning and performance is an important field of research.

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Pondy (1967) asserted organisational conflict was a negative experience on a continuum from passive resistance, to aggression involving emotions, perceptions and behaviours in response to conditions (e.g. a lack of resources) and/or the affective state of individuals (e.g. stress, tension, hostility). Others identified conflict as an opportunity for creativity and learning about different perspectives (Levine, Resnick, & Higgins, 1993; Nemeth, 1986). Debate about conflict as a breach of expectations, behaviour or procedure (March & Simon, 1958) was aligned with competitive negotiation behaviour as a threat to collaboration (Carnevale & Probost, 1998).

Early conflict research focussed on factors that contributed to escalation of conflict and how to manage conflict within organisations. Walton and Dutton (1969) were concerned with the events or stages of conflict, types of antecedents and interdependency of factors during organisational conflict. Thomas (1976) focused on the role of cognition in shaping negotiation and conflict behaviour. Carnevale and Probost (1998) found when people were engaged in hostile negotiation, cognitive flexibility and creative thinking were disrupted. However, the traditional focus on workplace conflict as a negative phenomenon was critiqued by Jehn (1995, 1997) who found aspects of conflict in teams positively correlated with idea creation and prevention of *group think* (Janis, 1982). In flat-structured organisations, task and interpersonal conflict enabled positive interdependence (Janssen, Van de Vliert & Veenstra, 1999). Research about the role of the devil's advocate suggested individuals made better decisions when their ideas were challenged (Schwenk, 1990).

The present paper argues that the managerial challenge is how to engage in constructive conflict behaviours and prevent or transform dysfunctional conflict. We explore, using a sample of New Zealand employees who conduct their work in teams, the role of intragroup conflict and its influence on the job satisfaction of workers. Meta-analysis by Judge, Thoresen, Bono, and Patton (2001) support a significant and moderate positive relationship between job satisfaction and job performance. Hence, exploring job satisfaction is important because it represents a positive outcome for both employees and employers. The present study contributes to the conflict literature by exploring antecedent and consequences of conflict, and the potential role of support as a buffer. It enhances our understanding of the detrimental links of conflict in the New Zealand workplace, but also provides useful directions for organisations on how to better manage such relationships.

Conflict Management

Behavioural, process and structural models have influenced conflict management literature. The 1970s and 1980s focus was on conflict-handling modes or styles of dealing with conflict (Rahim, 1983); such as the conflict management taxonomy/grid (Blake, Mouton, Barnes, & Greiner, 1964) and the dual concern theory (Pruitt & Rubin, 1986; Thomas & Kilmann, 1977). Common dimensions of conflict handling 'styles' were collaborating, yielding, forcing or avoiding. Deutsch (1973) investigated the conditions under which colleagues developed a cooperative or competitive relationship, by experimentally studying individual communication behaviour. The typology of conflict that emerged was a style-based set of characteristics focusing on roles and strategies that influenced outcomes. He proposed trust emerged from ongoing interaction and noted interdependence between context and process on outcomes. Deutsch's (1973) focus on relationships was influential but critiqued because interactions were simulated in the laboratory and not observed in the context of organisations.

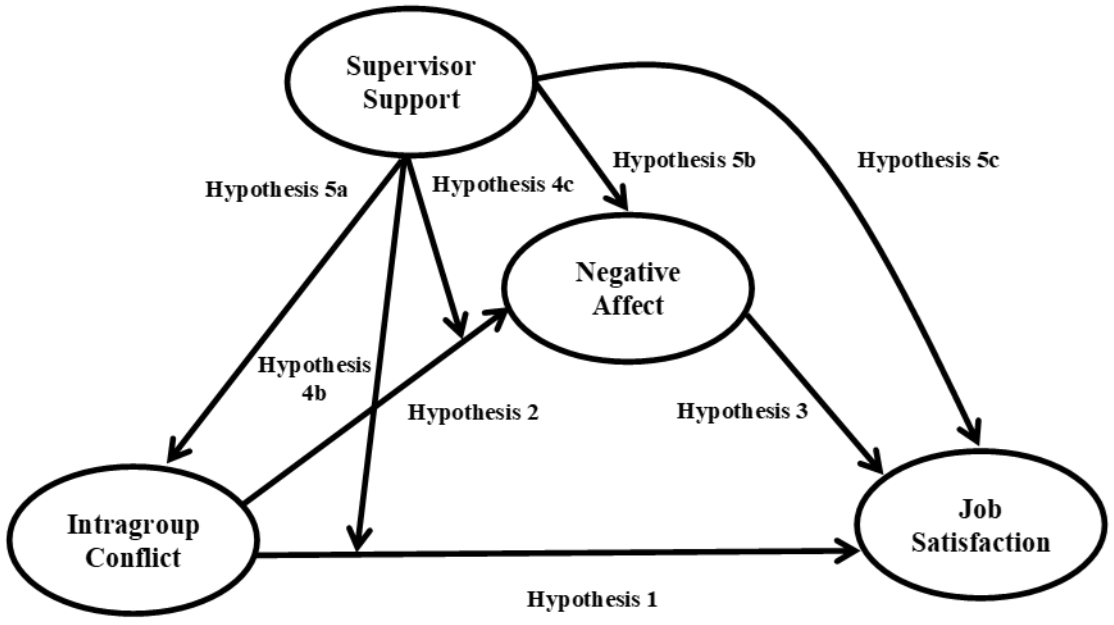
Research concerning negotiation as a process for conflict management covers a broad range of approaches. From behavioural decision-making (Lax & Sebinius, 1986; Raiffia, 1982) and multi-party decision-making (Neale, & Bazerman, 1992), to the psychology of decision, making in dyadic bargaining (Neale & Northcraft, 1989), the common aim was to ascertain strategies and tactics for substantive and relational gains. The study of individual personality differences (Gilkey & Greenhalgh, 1986), the structural approach (Pruitt, 1981) and the communications approach (Putnam, 2004) focussed on how to conduct effective negotiation across human and contextual differences. Experimental methods continue to apply behavioural game theory to organisational conflict, social dilemmas, intra-group conflict, strategic decision-making, workplace aggression and attitude change during negotiation (Lewicki, Saunders, & Barry, 2016).

However, Jehn (1997) questioned studies that framed conflict as negative phenomena without addressing the positive effects of conflict on performance and teamwork. Rahim (2002) asserted there were dual aims of conflict management "to enhance learning and group outcomes, including effectiveness or performance…limiting the negative aspects of conflict while increasing the positive aspects" (p. 208). Thus, conflict management was viewed as a set of dynamic learning processes. Costantino and Merchant (1996) proposed a learning approach, to negotiating workplace conflict where leaders modelled collaborative values and behaviours in their everyday lives. The idea was to move away from hierarchical, authoritarian decision making to consensus building and joint problem solving in teams, thereby building the capacity for early conflict resolution through organisational practices.

The Present Study

The present study focuses now upon intra-group conflict, which is the disruptions that occur *within* a team. We explore a process model whereby the detrimental influence of intra-group conflict might be better understood as working through negative affect, and also posit the role of supervisor support – given the importance noted above – as interaction and buffering the detrimental effects of intra-group conflict. This builds on New Zealand research, where Greenwood (2016) found conflict contagion (Jehn et al., 2013) in teams had detrimental impacts, including resignation and dismissal. Our theoretical model is shown below in Figure 1. We detail the specific literature and hypotheses below.

Figure 1. Theoretical Model



Intra-Group Conflict

Jenn (1995) defined intragroup conflict as disagreements or incompatibilities over work or non-work-related issues within a team. For example, team members arguing over workload and effort would signal intra-group conflict. Intra-group conflict influences individual satisfaction and team performance. There is evidence of a negative relationship between conflict, team productivity and satisfaction when conflict produces tension, antagonism and task distraction (Gladstein, 1984; Saavedra, Earley, & Van Dyne, 1993; Wall & Nolan, 1986). In effect, it is hard to be focused on the work and be satisfied with one's job, if the team one works in are arguing and creating friction and hostility. The literature on intragroup conflict initially categorised this as relationship and task conflict (Guetzkow & Gyr, 1954; Amason, 1996; Jehn, 1994). *Relationship conflict* referred to affective elements based on feelings of tension and friction, annoyance, frustration and irritation, while *task conflict* involved differences and viewpoints about tasks without interpersonal negative emotions of relational conflict.

Jehn (1994; 1995; 1997) identified the dynamic nature of team conflict finding relationships between different stages and types of teamwork. Relationship conflict was associated with decreased satisfaction and interfered with task performance but task conflict during complex non-routine tasks was beneficial for creativity, innovation, learning and development. Others concurred with Jehn (1994, 1995), finding task conflict could have positive effects on team performance (Amason & Schweiger, 1997; Simons & Peterson, 2000; Van de Vliert & De Dreu, 1994). Jehn (1997) identified *process conflict* as a third dimension to team conflict. Jehn, Northcraft and Neale (1999) defined process conflict as awareness of controversy about how tasks would be accomplished.

Following the investigation of antecedents of productive and destructive conflict in university MBA teams, Jehn and Mannix (2001) proposed managerial encouragement of open discussion norms, high levels of respect among members and asserted a cohesive supportive team environment would have a positive effect on team performance. They advised, managers and leaders should conduct conflict training at the early stages of group formation. However, an oversimplification of task conflict as functional and relational conflict as dysfunctional has been questioned.

Meta-analysis of the task-relationship conflict–team performance-satisfaction literature led De Dreu and Weingart (2003a, 2003b) to find both task and relational conflict to be equally disruptive suggesting the intensity of conflict matters. While conflict is less likely to disrupt routine tasks - a little conflict may be beneficial in complex tasks - these positive effects quickly breakdown as conflict becomes more intense. This is because the cognitive load increases, information processing is impeded, and consequently, team performance suffers (De Dreu & Weingart, 2003b). De Dreu and Weingart (2003b) meta-analysis found that team conflict was related negatively to both team performance and satisfaction, confirming a negatively link with satisfaction – the focus of the present study.

A subsequent meta-analysis of intra group conflict conducted by De Wit, Greer and Jehn (2012) found that intragroup conflict was significantly and negatively related to satisfaction. While this is typically satisfaction with group members, other studies have supported positive links between intra-group conflict and job satisfaction (Acuna, Gomez, & Juristo, 2009) and work

satisfaction (Cox, 2003). For example, Medina, Munduate, Dorado, Martínez, and Guerra (2005) found a significant relationship between intragroup conflict and job satisfaction ($r = -.27$, $p < .01$).

Locke (1969) defined job satisfaction as "a pleasurable emotional state resulting from employees' favorable appraisal of their job, achievements, and job-related value" (p. 309). Hence, it is a positive emotional state occurring when an employee appraises their job experiences (Locke, 1976). With regard to intragroup conflict and job satisfaction, McLaney and Hurrell (1988) tested both intergroup and intragroup conflict towards job satisfaction, and found both significant, with intragroup being the slightly more powerful predictor. Thus, employees whose work experience with their team is one where members fight about their work, have disagreements about the work processes and the work that each member should do, are likely to be left with a feeling of disappoint and reduced satisfaction about their job. In this regard, the intragroup conflict diminishes the emotional state with regard to their job. Thus, we posit the following.

Hypothesis 1: Intragroup conflict will be negatively related to job satisfaction.

The Mediation Effect of Negative Affect

Watson (2000) defined mood as "transient episodes of feeling or affect" (p. 4), with the two types of affect - positive and negative being theoretically and empirically proven (Watson, Clark, & Tellegen, 1988; Stoeva, Chiu & Greenhaus, 2002). We seek to extend the linkages between intragroup conflict and job satisfaction by exploring negative affect (mood) as a mediator. De Witt et al. (2012) suggested that, amongst other factors, affect may play a role in understanding the influence of intragroup conflict on outcomes. Jehn, Greer, Levine, and Szulanski (2008) found intragroup conflict and negative emotions were highly related and we suggest that negative affectivity might be a useful mediator for exploring the intragroup conflict-job satisfaction relationship, given the pleasurable emotional state (Locke, 1969) aligned with job satisfaction.

An explanation as to how mood may operate as a mediator was proposed by Friede and Ryan (2005), who proposed that individuals with different general dispositions – such as high negative affect - may interpret the same situation more detrimentally. Cropanzano, James and Konovsky (1993) noted that employees who report high levels of negative affect are likely to be anxious, afraid, and angry. Thus, we suggest that the relationship between intragroup conflict and job satisfaction might be better understood by considering what effect mood – specifically negative affect – plays in this relationship. In effect, the detrimental influence of intragroup conflict on job satisfaction is likely to be exacerbated by higher negative affect. Given the direct effect of negative affect to job satisfaction is well established with meta-analytic support from Connolly and Viswesvaran (2000) at -.33, we expect negative affect to be linked to job satisfaction and to mediate the influence of intragroup conflict on job satisfaction. Such relationships have been confirmed, for example Kafetsios and Zampetakis (2008) found affect mediated the influence of emotional intelligence on job satisfaction. Similarly, we expect intragroup conflict to be positively related to negative affect – as the infighting within a group increases, so too will the bad mood of the individual. Furthermore, as negative affect increases then satisfaction with one's job will reduce, and through this mechanism, negative affect will mediate the influence of intragroup conflict on job satisfaction. This leads to the following.

Hypothesis 2: Intragroup conflict will be positively related to negative affect.

Hypothesis 3: Negative affect will mediate the relationship between intragroup conflict and job satisfaction.

The Role of Supervisor Support

Perceptions of supervisor support during relationship conflict were investigated on 562 employees by Way, Jimmieson and Bordia (2016). Supervisor style had far reaching effects on employees exposed to relationship conflict and mental health issues (anxiety/depression). The authors suggested the efficacy of supervisor support is more influential when there is strong intragroup conflict, otherwise support may come across - in low conflict situations – as unwelcomed and unwanted. In their meta-analysis, De Church, Doty and Mesmer-Magnus (2013) identified two important factors around team conflict. Importantly, neither factor included the role of the supervisor, and we suggest that supervisor support may play a role in influencing the detrimental effect of intragroup conflict on job satisfaction. In a meta-analysis of over 32,000 employees, Ng and Sorensen (2008) and found the relationship between supervisor support and job satisfaction was significant and strong (r= .52). In effect, employees who have supportive supervisors are more likely to be satisfied in their jobs. As such, we argue that supervisor support will play a role in the relationships between intragroup conflict and job satisfaction.

While support can include supervisors, managers, and co-workers, Lee and Ashforth (1996) argued that supervisor support is the most common form of support tested, and there is evidence of it having direct effects towards conflict (Way et al., 2016) and buffering effects on relationships (Cohen & Willis, 1985). Within New Zealand, Haar and Roche (2008) found supervisor support was positively related to job satisfaction directly and moderated the influence of organisational support for work-family factors towards job satisfaction. Thus, there is potential for both direct and moderating effects from supervisor support towards job satisfaction. Similarly, towards negative affect, Wong, Cheuk, and Rosen (2000) found that supervisor support buffered the detrimental effects of job stress to negative affect, while Kammeyer-Mueller, Wanberg, Rubenstein, and Song (2013) founds links between affect and supervisor support. Similarly, Nifadkar, Tsui, and Ashforth (2012) found supervisor support was negatively related to negative affect.

Overall, we expect supervisor support to be negatively related to intragroup conflict, similar to Way et al. (2016). In addition, we expect supervisor support to buffer the relationships between intragroup conflict and both job satisfaction and negative affect. Furthermore, given the significant direct effects between supervisor support and job satisfaction and negative affect, we also predict those here. Thus, we posit the final set of hypotheses.

Hypotheses 4: Supervisor support will moderate the relationship between intragroup conflict and (a) job satisfaction and (b) negative affect.

Hypotheses 5: Supervisor support will be related (a) negatively to intragroup conflict, (b) negatively to negative affect, and (c) positively to job satisfaction.

Method

Sample and Participants

New Zealand employees were recruited to participate in the study after a series of telephone calls from one of the authors. We used a data collection procedure that has been widely employed in other research and is similar to that of Liao (2007) and Bezrukova and colleagues (2010). We had one entry criteria and that was that they were currently working in a team with a minimum two other workers. Those that were interested had the study outlined and requirements established (e.g., over 18 years of age, employed at least 20 hours a week, and working in a team). In total, 130 employees completed the survey over the phone. Our sample worked in a variety of industries (e.g., police department, manufacturing, construction, medical, insurance etc.).

Age of respondents ranged from 19 to 65 years, with an average age of 34.9 years (SD=13.2 years). Average tenure in their organisations was 6.2 years (SD=7.2 years) and tenure in their team was on average 4.9 years (SD=8.0 years). By gender, the sample was fairly evenly split with 55% female. On average respondents worked 34.3 hours a week (SD=13.2 hours) and there was strong diversity, with only 53% of New Zealand European descent, with the remainder Asian (19%), Maori (8%), Indian (9%), Pacific peoples (7%) and others (4%). By education, the majority had either high school education only (49%) or a university degree (44%).

Measures

Intragroup Conflict was measured with four items by Jehn (1995), coded 1=strongly disagree, 5=strongly agree The items were 1) Members within different subgroups fight about how to do the work. 2) Members within different subgroups disagree about the process to get the work done. 3) There is disagreement about task responsibilities within different subgroups. 4) There are frequent disagreements about who should do what within different subgroups
The measure had excellent reliability (α= .92).

Supervisor Support was measured using three items by Yoon and Lim (1999), coded 1=strongly disagree, 5=strongly agree. The items were: 1). My immediate supervisor can be relied upon when things get tough on my job. 2) . My supervisor is willing to listen to my job-related problems. 3). My supervisor really does not care about my well-being (this one is reverse coded. The measure had adequate reliability (α= .78).

Negative Affect was measured using five items of the Negative Affect Schedule by Watson, Clark, and Tellegen (1988), coded 1=very slightly, 5=extremely. The five items were from a shorter version used by Song, Foo, and Uy (2008) with sample items being “upset” and “irritable”. The measure had good reliability (α= .83).

Job Satisfaction was measured using three items by Judge, Bono, Erez, and Locke (2005), coded 1=strongly disagree, 5=strongly agree. A sample question was “Most days I am enthusiastic about my work”. The measure had good reliability (α= .87).

We control for the following variables: *Education* (1=high school, 2=technical college, 3=university degree, 4=postgraduate) and *Team Tenure* (in years). We suggest more educated employees are likely to have greater job challenges and thus be more satisfied in their job, and those with longer team tenure to have greater job satisfaction.

Measurement Models

We confirm the nature of the various study constructs using confirmatory factor analysis in SEM with AMOS 24. For SEM studies, Williams, Vandenberg, and Edwards (2009) offer the following goodness-of-fit indexes and their thresholds: (1) the comparative fit index (CFI ≥.95), (2) the root-mean-square error of approximation (RMSEA ≤.08), and (3) the standardized root mean residual (SRMR ≤.10). The hypothesized measurement model and an alternative model are shown in Table 1. Overall, the hypothesised measurement model was the best fit for the data. Models 2 and 3 tested alternative measurement constructs and these resulted in a poorer fit (Hair, Black, Babin, & Anderson, 2010). Thus, we confirm the distinct nature of our study constructs.

Analysis

Hypotheses 1 to 5 were tested using SEM in AMOS including mediation effects. We follow Haar, Russo, Sune, and Ollier-Malaterre (2014), and run the final model with the interaction effects based on the findings of the mediation effects.

Table 1. Results of Confirmatory Factor Analysis

	Model Fit Indices					Model Differences			
Model	**χ^2**	**df**	**CFI**	**RMSEA**	**SRMR**	**χ^2**	**Δdf**	**p**	**Details**
Model 1	141.9	98	.96	.06	.07				
Model 2	397.1	101	.74	.15	.17	255.2	3	.001	Model 1 to 2
Model 3	299.7	101	.82	.12	.12	157.8	3	.001	Model 1 to 3

Model 1=Hypothesised 4-factor model: supervisor support, intragroup conflict, negative affect and job satisfaction.
Model 2=Alternative 4-factor model: supervisor support, intragroup conflict and negative affect combined and job satisfaction.
Model 3=Alternative 3-factor model: supervisor support and intragroup conflict combined, negative affect and job satisfaction.

Results

Descriptive statistics for the study variables are shown in Table 2. Table 2 shows that supervisor support is significantly correlated with intragroup conflict (r= -.35, p<.01), negative affect (r= -.39, p<.01), job satisfaction (r= .30, p< .01) and intragroup conflict is significantly correlated with negative affect (r= .28, p<.01) and job satisfaction (r= -.25, p< .01). Finally, negative affect is significantly correlated with job satisfaction (r= -.36, p< .01).

Structural Models

A number of alternative structural models were tested, to determine the most optimal model based on the data, and results are shown in Table 3. Overall, the direct effects model (model 1) and the full mediation model (model 2) are significantly worse fits to the data compared to the partial mediation model (Hair et al., 2010). Overall, with the control variables included, the structural model is still robust and meets the minimum goodness-of-fit indexes noted above (Williams et al., 2009): χ^2 (df) = 150.8 (107), CFI=.96, RMSEA=.06, and SRMR=.07.

Aligned with the recommendations of Grace and Bollen (2005), unstandardised regression coefficients are presented in Table 4. Table 4 shows that in model 1 (direct effects model), there are consistent effects from supervisor support, being significantly related to intragroup conflict (path coefficient = -.35, p<.001), negative affect (path coefficient = -.37, p<.001), and job satisfaction (path coefficient = .35, p<.001). This supports Hypotheses 5a, 5b and 5c. Model 3 was found to be the best fitting model and this confirmed that when negative affect is included as a mediator, it partially mediates the effects of intragroup conflict on job satisfaction. In model 2, intragroup conflict was negatively related to job satisfaction (path coefficient = -.27, p<.001) and this reduced to path coefficient = -.15 (p<.05), when negative affect is included as a mediator. Furthermore, intragroup conflict was related to negative affect (path coefficient = .25, p<.001), and these effects support Hypotheses 1, 2 and 3. Finally, Hypothesis 4 related to the moderating effects of supervisor support on intragroup conflict were tested, and this was supported towards job satisfaction only (path coefficient = .06, p<.05) – supporting Hypothesis 4b. We graphed the interaction effects (Figure 2) to allow understanding of the significant interaction.

The interaction shows that at low levels of intragroup conflict respondents score high levels of job satisfaction, although respondents with low levels of supervisor support report higher levels than respondents with high supervisor support. However, at high levels of intragroup conflict respondents report a drop in job satisfaction with those with low supervisor support reporting a much more significant drop and ultimately the lowest levels of job satisfaction. The decrease in job satisfaction is much more modest for respondents with high supervisor support.
supporting our hypothesis that supervisor support would buffer the detrimental effects of intragroup conflict on job satisfaction.

Overall, the models account for modest amounts of variance towards intragroup conflict (r^2 = .17), slightly higher levels of negative affect (r^2 = .24), and larger amounts of variance for job satisfaction (r^2 = .33).

Table 2. Correlations and Descriptive Statistics of Study Variables

Variables	M	SD	1	2	3	4	5	6
1. Education	6.1	8.2	--					
2. Team Tenure	3.4	.90	-.00	--				
3. Supervisor Support	3.5	.96	-.09	-.04	--			
4. Intragroup Conflict	3.9	.87	-.10	-.34**	-.35**	--		
5. Negative Affect	4.1	.80	.04	.12	-.39**	.28**	--	
6. Job Satisfaction	3.9	.79	-.27**	.18	.30**	-.25**	-.36**	--

N=130, *p<.05, **p<.01

Table 3. Model Comparisons for Structural Models

	Model Fit Indices					Model Differences			
Model	**χ^2**	**df**	**CFI**	**RMSEA**	**SRMR**	**χ^2**	**Δdf**	**p**	**Details**
Model 1	163.8	109	.95	.06	.09				
Model 2	161.9	109	.95	.06	.10	1.9	0	nil	Model 2 to 1
Model 3	150.8	107	.96	.06	.07	13.0	2	.01	Model 3 to 1
						11.2	2	.05	Model 3 to 2

All models include control variables: Education and Team Tenure covary with the other variables.

Model 1 = A direct effects model where supervisor support predicts intragroup conflict, negative affect and job satisfaction.
Model 2 = A full mediation model where supervisor support predicts intragroup conflict, and intragroup conflict predicts negative affect, and negative affect predicts job satisfaction.
Model 3 = A partial mediation model where supervisor support predicts, intragroup conflict and both predict negative affect and job satisfaction, and finally negative affects predicts job satisfaction.

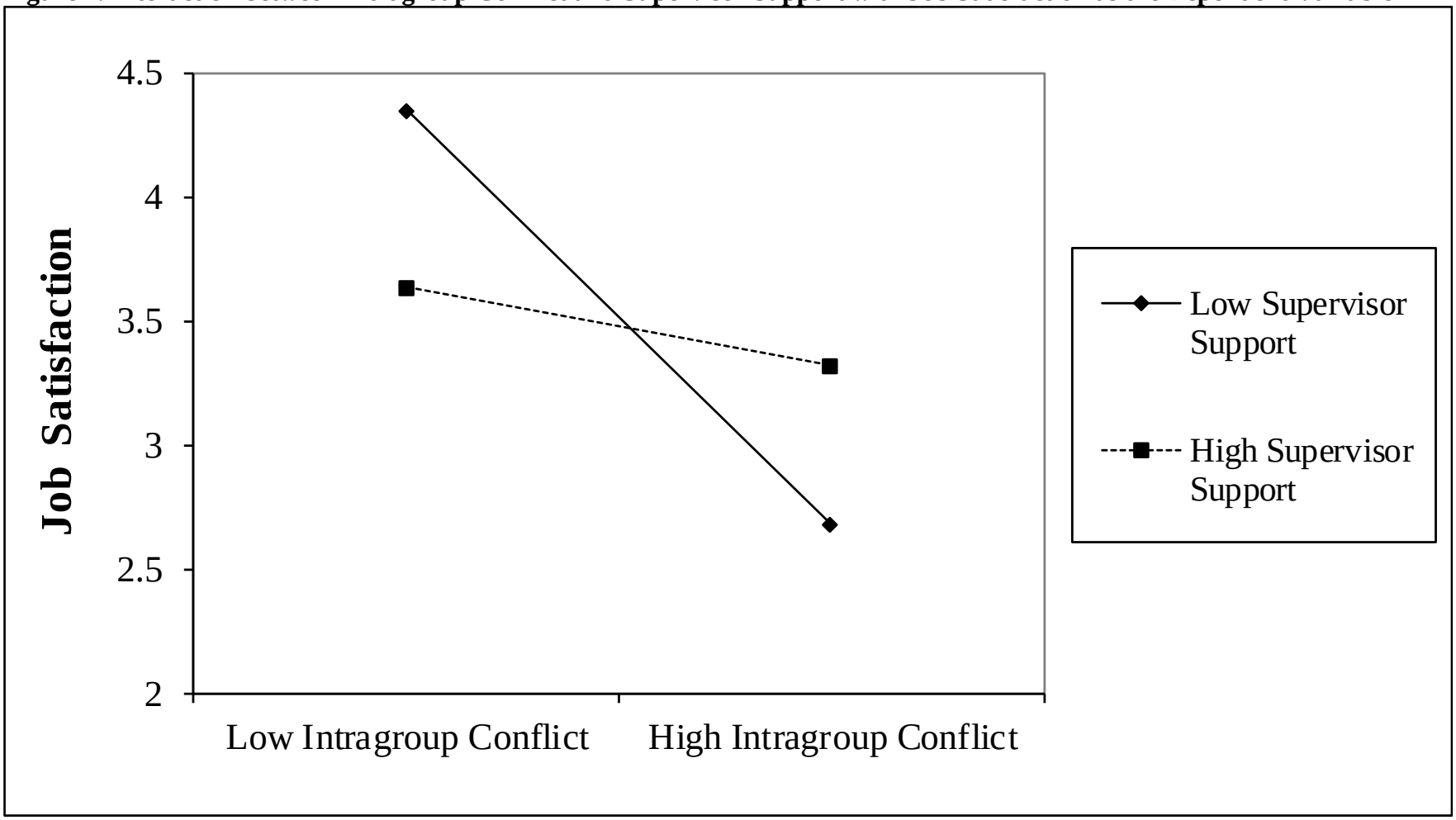
Table 4. Final Structural Model Path Results

	Unstandardised path coefficient	
Variables	Direct Effects Only (Model 1 + 2)	Partial Mediation (Model 3)
Controls:		
Education → Job Satisfaction	-.17**	-.19**
Team Tenure → Job Satisfaction	.02**	.02*
Model 1		
Supervisor Support → Intragroup Conflict	-.35***	-.33***
Supervisor Support → Negative Affect	-.37***	-.25**
Supervisor Support → Job Satisfaction	.35***	.25**
Model 2		
Intragroup Conflict → Job Satisfaction	-.27***	-.15*
Model 3		
Intragroup Conflict → Negative Affect		.25***
Negative Affect → Job Satisfaction		-.32***
Interaction Effect		
Intragroup Conflict x Supervisor Support → Job Satisfaction		.06*
r^2 Values:		
Intragroup Conflict		.17
Negative Affect		.24
Job Satisfaction		.33

*p< .05, **p< .01, ***p< .001.

Note: we include Model 1 (direct effects model) to indicate the mediation effect of negative affect on relationships.

Figure 2. Interaction between Intragroup Conflict and Supervisor Support with Job Satisfaction as the Dependent Variable



Discussion

The present study contributes to the literature in several ways. It adds strength to the importance of intragroup conflict, providing useful insights into the effects, and finding it is a strong predictor of job satisfaction, although better understood as working through negative affect. In addition, we find that supervisor support is a significant antecedent of intragroup conflict, and by including negative affect as a mediator, and finding partial mediation effects towards job satisfaction, we better understand the process of intragroup conflict. In the present study, this suggests a supervisor who provides support to workers provides useful benefits (Way et al., 2016; Haar & Roche, 2008), such as reducing the conflict that occurs within a team, and in turn, this intragroup conflict leads individuals to negative moods, which in turn leads less satisfaction with the job. In addition, supervisor support is still directly related to job satisfaction, highlighting its important influence. The sophisticated structural equation modelling allows us to explore different models and determine that our final model – with partial mediating effects from negative affect – and supervisor support moderating, was a superior fit to the data.

The finding of mediation effects from negative affect provides us with greater knowledge and insight around the process by which employees who have conflict around their team, are likely to experience worse moods and then be less satisfied in their jobs. It also confirms the outcomes – particularly job satisfaction – from a New Zealand sample, and supports similar findings internationally (Jehn, 1995, 1997). It confirms Jehn et al. (2008) suggestion that negative affectivity might be a useful mediator for exploring the influence of intragroup conflict on job satisfaction. This also reinforces the emotional state aligned with job satisfaction as suggested by Locke (1969). Importantly, it builds our understanding of antecedents of intragroup conflict, and highlights the important role that supervisors may play – when being supportive – in the way that teams work and maintain stability (and create less conflict) within themselves. That said, the present study focused only upon supervisor support and other forms of support might also be relevant for future researchers, such as organisational support (Eisenberger, Huntington, Hutchison, & Sowa, 1986).

In addition, the benefits of supervisor support were found to extend beyond direct effects and also included moderating effects, which replicates buffering effects found in other studies (Cohen & Willis, 1985; Haar & Roche, 2008). Our interaction effects showed that when intragroup conflict was high, respondents with low supervisor support reported the lowest levels of job satisfaction, and these levels were, on average, significantly lower than reported by employees with high supervisor support. Thus, we find supervisor support not only has direct effects – towards reducing intragroup conflict and negative affect, and enhancing job satisfaction – but also by interacting with intragroup conflict. Thus, the present study makes a number of contributions regarding supervisor support, intragroup conflict, and the process by which intragroup conflict influences job satisfaction.

Implications

Job Satisfaction is a fundamental area of focus for organisations and researchers, and has been found to be an important predictor of job performance (Judge & Bono, 2001; Judge et al., 2001). The present study emphasises the importance of intragroup conflict and highlights the detrimental effects that fighting within a team can play, including team performance (Jehn, 1995, 1997). Given conflict is interpretive and dynamic, one implication of these findings is the important role that supervisors play. Supervisor support had direct effects – towards

reducing intragroup conflict and negative affect, and enhancing job satisfaction – but also by interacting with intragroup conflict; suggesting the supervisor might play a pivotal role in interpreting, managing, and preventing conflict contagion (Jehn, et. al 2013). The nature of supervisor support (Yoon & Lim, 1999) suggests that showing interest in difficulties, listening to problems and demonstrating care about well-being, and indicates that interpersonal communication skills such as attentive listening are important attributes for supervisors. This would suggest that training and development for supervisors around managing the intragroup conflict of their teams might provide valuable results towards a number of outcomes including satisfaction and performance.

Given supervisor support buffered negative affect associated with intragroup conflict - such as members fighting about tasks, how work is done, disagreements about processes, responsibilities and roles (Jehn, 1995) - infers conflict management skills may be important dimensions of the supervisor toolkit. De Dreu and Weingart (2003b) suggested the way to manage intra-group conflict was characterized by collaboration rather than contention to "minimize if not reverse the negative effects of task conflict" (p. 747), and Greenwood (2016) claimed reflexive conversations between leaders and team members protected against conflict contagion (Jehn, et al., 2013) associated with negative emotional responses to conflict. Overall, we suggest a key to managing intragroup conflict may lie with supervisors and providing them with enhanced tools to manage better.

Future Research

Future studies might want to explore additional mediators. For example, while the present study focused on negative affect, Watson et al. (1985) also addresses the positive side of affectivity, and future studies might include that. Furthermore, other forms of support might be explored including organisational and co-worker support. For example, supervisor support might influence organisational support – which has meta-analytic support (Kossek, Pichler, Bodner, & Hammer, 2011) – and in turn these might influence intragroup conflict, affectivity and job satisfaction, which similarly has meta-analytic support (Rhoades & Eisenberger, 2002). Future studies might also explore these relationships at the team level, including intragroup conflict and support perceptions and thus a multi-level data approach would add to the understanding of these relationships. Finally, future studies might also seek to explore other antecedents of intragroup conflict including leadership styles and moderators including other team factors, such as group conflict norms (Jehn, 1995), as well as conducting longitudinal research, perhaps testing the effects of supervisor support pre- and post-training in conflict management.

Limitations

Like most studies, the present study does have some limitations particularly around the cross-sectional nature of data collection. Haar et al. (2014) notes that issues around common method variance (CMV) can be alleviated by using higher order statistical analyses, specifically using CFA to confirm the measures, and then SEM to analyse the data. This is because the CFA calculations could identify issues of CMV where constructs would begin to overlap and be indistinct. In addition, the present study tested moderation effects, which Evans (1985) asserts reduces the chances for CMV when significant interaction effects are found. Overall, our sample size is modest (n=130) although this is similar in the size of other New Zealand studies (e.g., Haar & Spell, 2001). Furthermore, our sample does have a good range in respondent occupations, education, ethnicity and sector, making the sample more generalizable to the New Zealand setting.

Conclusion

In conclusion, the present study sought to explore the role of intragroup conflict in influencing the job satisfaction of New Zealand employees, including a process model with an antecedent and mediator. While strong support was found for links between intragroup conflict and job satisfaction, analysis showed that supervisor support plays a key role in reducing intragroup conflict and negative affect, and building job satisfaction, with negative affect also having a mediating role. Furthermore, the moderating effects of supervisor support on intragroup conflict towards job satisfaction, builds on the direct effects of supervisor support, highlighting the key importance that supervisor support appears to play. The implications is that team and any accompanying conflict can be detrimental, although the role of supervisors appears to provide clear evidence of minimizing these negative links.

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The Application of Cameron's Positive Leadership Model in a New Zealand Law Enforcement Organisation

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Abstract

This study explored the implementation of Cameron's (2008) positive leadership model. The model consists of four strategies: fostering a positive climate, developing positive relationships, engaging in positive communication, and reinforcing positive meaning. Two practices were added as adaptions to the model: setting an Everest goal, and conducting personal management interviews. Journals were kept by each leader, and individual interviews were held with leaders and officers to capture their lived experience of implementing the model. Operational data were collected to indicate achievement of the Everest goal. The experience of implementing the model challenged existing leadership practices, but overall it was a valuable exercise, in terms of positively influencing performance.

Key words
Positive leadership, positive behaviours, Cameron's positive leadership model, law enforcement

Introduction

This study explores the experiences of leaders in their implementation of Cameron's Positive Leadership Model ([CPLM]; Cameron, 2008; 2013) in a law enforcement organisation. Responding to the call from Cameron, Mora, Leutscher, and Calarco (2011) noting the limited research on how to assist organisations in implementing positive practices, we traverse the lived experiences of those leaders who implemented the model, as well as those they led. Leaders' behaviours can have a substantial effect on employees and organisational outcomes (Waldman, Ramirez, House, & Puranam, 2001). Therefore, exploring the practical *application* of CPLM provided a rare opportunity to work with leaders to understand their experiences of implementing positive leadership in their organisation. Through the application of a qualitative phenomenological approach, the aim of the research was to elicit the lived experiences as the model was implemented. We contribute to the literature by providing empirical data related to the implementation of CPLM, and add practical value for human resource practitioners on how to engage with, and implement, positive leadership strategies and practices.

As the foundation for this study, positive leadership is defined as "the ways in which leaders enable positively deviant performance, foster an affirmative orientation in organisations, and engender a focus on virtuousness and eudemonism" (Cameron, 2008: 1). Cameron (2008)

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contends positive leadership does not imply that "leaders should just smile and that everything will be fine" (p. 104). Rather, positive leadership necessitates 'positively deviant performance'; that is, more rigorous standards of performance than normal expectations. Positive leadership shares a common intellectual ancestry with authentic leadership in that both have emerged from studies on transformational leadership. However, underpinning positive leadership are the concepts embedded with positive organisational scholarship, which has an explicit focus on understanding flourishing in organisational contexts, and builds on individual and collective strengths. Positive leadership has a clear focus on positivity: on achievement of results, and on enabling positively deviant outcomes (e.g. human flourishing, achieving excellence). Flourishing refers to being in an optimal range of human functioning and is indicated at the individual level (generativity, growth) and at the organisational level (e.g. group creativity, innovation, growth, or other markers that a collective is healthy and has 'positively deviant' performance). Positive leadership is criticised as being a North American cultural approach with critics claiming that most of the benefits are actually for the enhancement of leaders and organisations, rather than to the employees (Fineman, 2006). Other criticisms are that there is little evidence that positivity is beneficial, and could actually be harmful to organisations (Ehrenreich, 2009). However, much of the writing on positive leadership is conceptual, with very little empirical work to support or refute its claims (for a full review of positive leadership see Martin, 2015).

The CPLM has four key strategies that can be used to implement positive leadership in the workplace: fostering positive climate (cultivating compassion, forgiveness, and gratitude in the workplace), developing positive relationships (leader modelling of positive energy, encouraging high quality relationships), engaging in positive communication (a critical enabler of positive leadership, occurs when affirmative and supportive language replaces negative and critical language), and reinforcing positive meaning (engendering and nurturing purpose and meaning into the work that employees do). To support the practical application and implementation of positive leadership and provide concrete actions for the CPLM strategies, Cameron suggests a number of positive practices, including the Everest goal (Cameron & Levine, 2006) and the personal management interview ([PMI] Boss, 1983; Goodman & Boss, 2002).

To harness the energy of the positive leadership strategies, Cameron and Levine (2006) recommend leaders should set Everest goals. They contend that such goals represent an ultimate achievement, an extraordinary accomplishment, or a positively deviant outcome. The concept is one method of providing both a foundation and a focus for the outcomes sought in the CPLM, and for shaping and driving performance towards those outcomes. Personal management interviews (PMI; Boss, 1983) are regular face-to-face meetings between a leader and a direct report. The PMIs are not appraisal sessions; rather they are opportunities to clarify expectations and support operational goals. One differentiating attribute of positive leaders is they provide opportunities for others to receive developmental coaching so that employees feel encouraged (Cameron, 2013). Previous research provides indirect support for implementing PMIs in tandem with positive leadership; Czech and Forward (2013) found employees seek clear role expectations, and when these are met employees are often more effective and satisfied with their jobs (Snow, 2002). Although limited literature exists on the practical application of PMIs, Latif (2003) advocates for the incorporation of supportive communication principles into regularly scheduled PMI sessions.

We now describe the study we undertook to understand the lived experiences of the leaders who implemented the CPLM, and the experiences of Customs officers. To assist practitioners, we also provide detail on the implementation process and context of the study.

Research Approach

An inductive, interpretative approach was chosen because it sits within the interpretivist philosophical paradigm adopted by the authors, and is in keeping with the exploratory nature of seeking to understand the lived experiences of the participants. The approach supported the research objective of understanding unique interactions in a specific setting (Patton, 2002) and enabled a focus on interpretation of phenomena in their natural settings (Denzin & Lincoln, 2005). This research approach aligned with the researchers' value system of *doing-with-not-to* philosophy, which essentially means working *with* people to make changes rather than *imposing* changes on them. In hindsight, the choice of an interpretative phenomenological approach was advantageous, because of the unfolding context resulting from natural disaster events that occurred during the study, and the ability of this method to help contextualise the impact from these disasters.

During the research, particularly throughout the analysis process, the researchers adopted a conscious awareness of the importance of bracketing, or *epoché* (Tufford & Newman, 2010), meaning to refrain from judgement. This process is central to phenomenology and involves the researcher consciously suspending their presuppositions, prejudgements, and interpretations so that they can be open to the aspects of meaning that belong to the phenomena of the lived experience of the participant (Creswell, 2007; Moustakas, 1994). We explored and discussed preconceptions we had about the research topic, the participants, and later, about the emerging data. A number of self-management strategies, such as staying aware of personal biases, were noted and discussed during the research process.

Context of the Study

The research was conducted within the Customs offices at Christchurch International Airport, New Zealand, employing 10 leaders and 75 Customs officers (21 work on a contingent basis). All participants worked rostered 10-hour shifts, six days on, four days off. The officers were divided into four teams, each led by two front-line leaders. Their responsibilities included the processing of arriving and departing international passengers, profiling, collecting duty, and protecting the border from importation of illicit substances, prohibited items, and prohibited persons. Over the duration of the study, a total of 803,222 passengers were processed.

The motivation for the study was the desire by a number of Customs leaders to increase performance in a number of critical operational areas. These leaders had been introduced to the positive leadership approach through the Customs in-house leadership development programme. After the first researcher gave a presentation to a Customs leadership forum detailing the knowledge acquired from participating in the University of Michigan positive leadership programme, several of the leaders requested assistance to implement Cameron's positive

leadership model in the airport to work on improving operational performance. This presented the opportunity to take the positive leadership approach further through the application of this conceptual model.

Three days after the study began the region experienced a high magnitude earthquake, followed by several months of significant aftershocks. The fatal earthquakes devastated buildings and infrastructure throughout the region. During this period, each significant aftershock resulted in the closure of the airport for runway inspections. Customs staff also managed the influx of international rescue teams and facilitated the departure of victims and their families throughout the duration of the study. The disrupted operational environment also increased the likelihood of international criminal activity by those attempting to bring in prohibited substances and/or attempting to enter the country illegally under various guises of earthquake recovery activities.

The ethical dilemma following the initial earthquake event was the desire to continue with the study against the reality that all leaders would need to focus their energies in leading in this unprecedented environment. The dilemma was resolved through advising the leaders that it was their decision to continue, delay, or abandon the implementation of the CPLM. The leaders made an independent and unanimous decision to continue with the implementation.

Method

Participants

The 10 participants in this study represented the entire leadership team for the regional Customs service. Leaders were e-mailed personalised invitations to participate and all accepted. The average age of the leaders was 58 years, with the average time working for Customs being 22 years. All had considerable leadership experience averaging 15.5 years across the group. There were eight men and two women leaders; gender-neutral language is used to prevent identifying individual participants. As part of the implementation design, leaders chose 20 officers to be involved in the positive management interview program. At the conclusion of the implementation, 10 officers were chosen randomly to participate in an individual semi-structured interview with the first author. All 10 accepted the invitation. Six of the 10 were female, averaged 37.6 years, and averaged 5.3 years of service at Customs.

Research Process

The study consisted of three interrelated phases: pre-implementation planning, field implementation (six-months duration), and post-implementation individual interviews with leaders and followers (officers). Three data sources contributed to the qualitative analysis in this study: semi-structured face-to-face interviews with leaders, leader e-journals, and face-to-face officer interviews who participated in the PMI process.

Pre-implementation Planning

The first phase involved the preparation of leaders for the implementation of CPLM, with workshops being facilitated by an external consultant. The reason for the workshops was to discuss the practical aspects of implementing CPLM and resulted in an agreement between the leaders to add the Everest goal and PMI practices into the model. The rationale for this was that having a goal with a set of operational measures to indicate achievement supported the leaders' desire to improve operational performance. In the pre-implementation workshops, the notion of actively identifying and working with both high-achieving employees and under-achieving employees had an immediate accord with all of the leaders. This was in contrast to the opportunity to participate in an exercise using the reflective best-self tool, (Roberts, Dutton, Spreitzer, Heaphy, & Quinn, 2005) which was unanimously rejected by the leaders, as primarily a '*North American approach*' (Leader F). The majority of leaders considered soliciting feedback on their best-self was not an approach they were comfortable with. Additionally, the notion of keeping a gratitude journal and/or expressing gratitude was considered by the majority of leaders as unnecessary. On the other hand, the notion of using descriptive and supportive communication to address poor operational performance found favour with the leaders, as did managing inappropriate behaviour such as incivility (Sguera, Bagozzi, Huy, Boss, & Boss, 2016) and habitual under-performance of some officers.

The final workshop was self-facilitated by the leadership team to encourage ownership over the implementation, and to finalise the Everest goal, the data needed to measure this goal, and the process for implementation. It is important to note that the researchers did not facilitate the implementation of the CPLM. Rather, it was the leaders who navigated the practical implementation with their staff, with the researchers' providing resources and support when needed.

Rather than informing staff of the Everest goal and the decision to work with positive leadership, it was agreed that leaders would introduce their own team(s) to the goal, the eight measures that would indicate achievement of the goal, and the PMI process. Each leader quietly worked at implementing positive strategies.

Implementation and Resources

During the planning phase, the leaders were given Cameron's (2008) book to read. Additionally, there was a need for practical information to facilitate implementation of the CPLM. To meet this need, a guide was created for the current study giving examples of positive leadership behaviours that are inherent in each of the four strategies in CPLM (see Table 1). Monthly sessions between the leaders and the officers provided an opportunity to have a structured conversation regarding their work, the work environment, and their career. A template was created to help leaders direct the conversation on team climate and wider work environment, work relationships, communication, meaning/contribution in the workplace, feedback on job performance, progress towards performance goals, accountability, and training requirements. Together these resources provided the '*how'* for the leaders in implementing CPLM, who may have floundered without guidance, and provided more standardised data for the study. A

potential disadvantage in providing leaders with templates is that it narrowed their focus to only the items within those templates.

Table 1 Guide to positive leadership behaviours developed for the study

Positive climate	*Positive relationships*	*Positive communication*	*Positive meaning*
Positive noticing and expressing verbal or written thanks/appreciation to others for their actions	Actions towards others that build positive workplace relations	Have descriptive and supportive conversations	Reinforce the overall contribution the work makes to others and the strategic outcomes of the organisation/Everest goal
Encouraging and reinforcing positive performance through verbal or written feedback	Leader facilitation of and modelling of positive energy	Describe what was observed and/or what behaviour is expected, rather than passing judgement	Reinforce meaningfulness of the work individuals do, and the team does
Expressing empathy and responding with empathy, and providing support for issues	Recognizing and addressing poor performance. Reinforce those modelling good performance.	Describe observation rather than make assumptions about behaviour	Encourage the generation of ideas and support for implementation
Strengths based approach – recognising and building on strengths observed in others	Focus on strengths and give time to strongest performers	Use more positive words than negative words in communication with others	
	Make opportunities for what people do best		

Data Collection

Leader Interviews

Semi-structured interviews were held between the first author and the 10 leaders during the implementation and post-implementation. All interviews were held onsite at the Customs' offices within the airport. The interviews focused on in-depth exploration of their experiences of implementing CPLM in applying positive strategies/practices in their workplace, their perceptions of the Everest Goal, what went well/not so well, and whether they noticed any changes to their leadership practices/style.

Leader e-journals

Collecting data from journals for phenomenological analysis has been advocated by Creswell (2013). A template helped guide the leaders to reflect daily on their use of positive strategies, the

positive behaviours (see Table 1), the CPLM model, the measures for the Everest goal, and the PMIs. The degree of journal completeness varied from one line entries to comprehensive narratives that included validating evidence, such as emails from officers in response to leader actions. Leader e-journal data provided rich data about the day-to-day implementation of the model.

Officer Interviews

Semi-structured interviews were conducted post-implementation to explore officer experiences of having an Everest goal and being involved in PMI sessions, as well as their observations on any differences they noticed in the workplace over the past six months. All interviews were recorded and transcribed.

Everest Goal Measures

Leaders agreed on eight operational measures that would indicate achievement of their Everest goal (*recognition of* [the] *International Airport as being the model airport in the country by end of the study period;* 'model' being defined as exceeding national operational performance requirements). Six of these measures related to increasing quality, productivity, and timeliness of processing procedures, and two measures related to reducing sick and vacation leave balances (see Table 2). Data were obtained from the Customs electronic operational management system at the commencement and conclusion of the study.

Table 2 Outcomes of the Everest goal measures

Everest goal measures	*Baseline measures*	*Results - post implementation*
Reduce average sick days per officer by 1.2 from 9.2 to 8 average sick days per officer	9.2 average days per officer	14% reduction to 7.9 average days per officer = measure exceeded
Reduce vacation leave balances by 1 average day per officer from 24.2 to 23.2 average days per officer	24.2 average days per officer	10% increase to 26.6 average days per officer = measure not achieved
Quality assurance check 50% of officer notebooks	30% quality assurance checked	80% quality assurance checked = measure exceeded
80% of officer notebooks checked are at accuracy standard	66% of notebooks checked are at accuracy standard	81% of officer notebooks checked were at accuracy standard = measure exceeded
50% of activity and alert reports are quality assurance checked	30% currently quality assurance checked	67% of activity and alert reports quality assurance checked = measure exceeded
Reduce outstanding activity and alert report on work queue by 20%	78 reports on work queue	60 reports on work queue = 23% reduction, measure exceeded
Decrease data mismatch to intervention by 2%	7% data mismatch	5% data mismatch = 2% decrease, measure achieved
Decrease non-accuracy of officer primary processing by 2%	18% non-accuracy primary processing	21% non-accuracy = 3% net increase measure, not achieved

Data Analysis

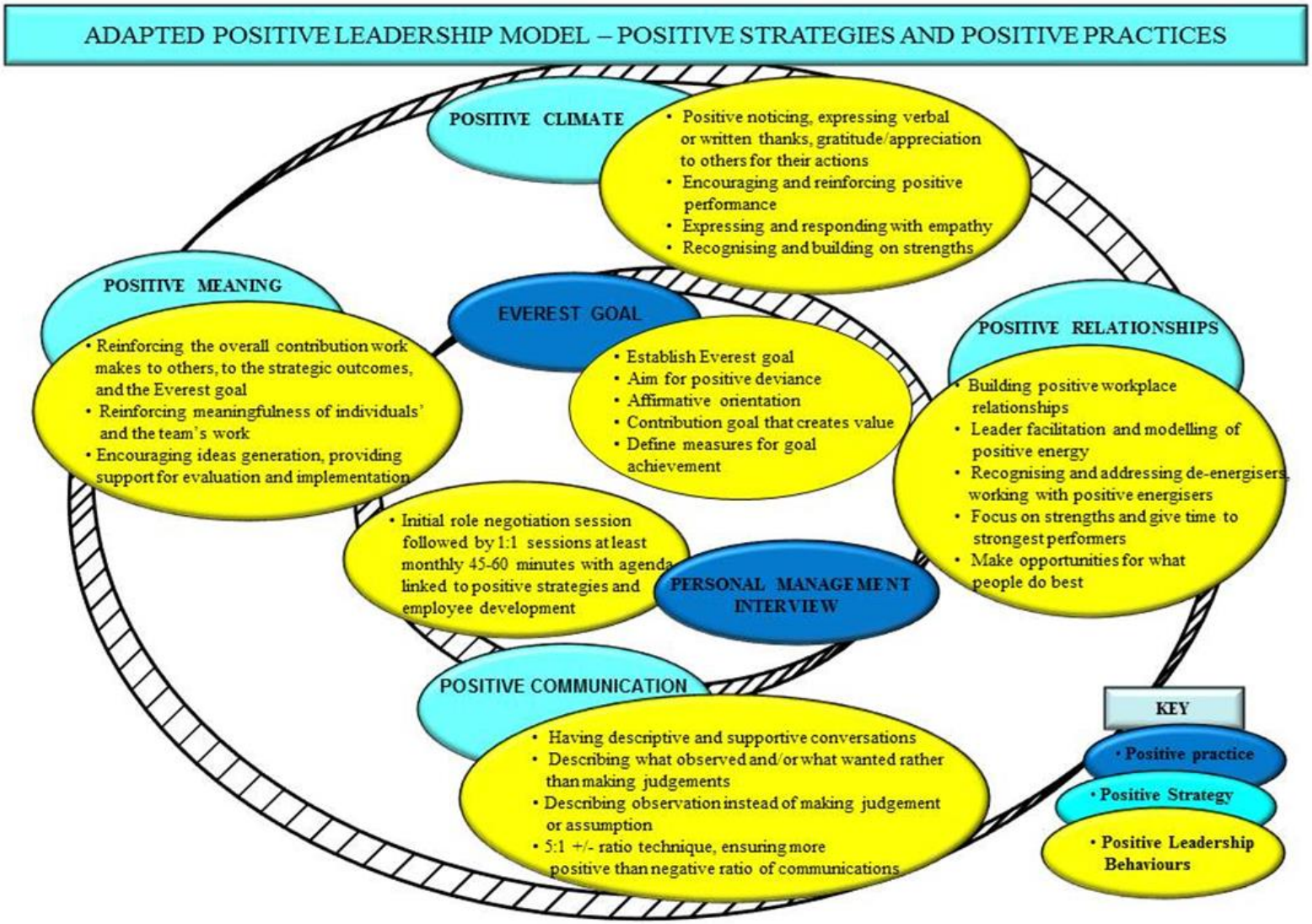
The aim of interpretative phenomenological analysis is to explore in detail the experience of phenomena from the perspective of the participants, and to make sense of that experience through an interpretative process (Patton, 2015). Under this paradigm, data analysis followed the six-step process suggested by Smith, Flowers, & Larkin (2009: 79-107) and Creswell (2007: 159). The process involved first analysing the data for each participant, then moving to analysing the data across each participant group, then working with the overall data set seeking emergent patterns and themes. The officer interview transcripts were processed separately from the leader data.

The first three steps focused on the individual participant experience, and included reading and re-reading, initial noting observations in each data source (reflective engagement conducted several times for each data item, e.g. interview transcript, e-journal entry), and developing emergent themes from initial noting, annotations and patterns within each data item. The fourth step was to bracket each data item before moving onto the final steps of assessing the key emergent themes for the group of data as a whole. These final steps involved searching for connections across the leader and officer data through clustering themes, collating findings, and interpreting patterns and reflecting on the data through re-reading literature.

Results and Discussion

Four consistent themes were central to the stories that emerged as the essence of the participants' experiences: (1) structure and focus in chaos, (2) working with positive strategies, (3) compassion and connectivity, and (4) affecting performance for the better. These themes, along with the addition of leadership behaviours, the Everest goal and PMIs are shown in the adapted version of the CPLM (Figure 1).

Figure 1: Adapted Version of Cameron's Positive Leadership Model to include positive behaviours.



Theme 1: Structure and Focus in Chaos

Implementing CPLM was a major undertaking for the leaders. In channelling their attention toward leadership behaviours, all of the leaders noted they had more focus on people. Most considered that this focus made a difference to how their leadership team operated in that they had a clear goal that gave focus to their activities. '… [there was] *more emphasis on our common purpose*" (Leader J). Most described how other leaders were listening more in meetings and there was more communication between the leaders.

Having an Everest goal and a set of measures on which they had collectively decided acted as a central pillar. On this foundation, they could then focus their own and their teams' behaviour, especially in the midst of a chaotic environment. The centrality of the goal and the meaning it provided for the leadership team as well as for the officers is a consistent theme articulated by the leaders.

> *… timely in some ways that we had that* [the Everest goal] *when the earthquakes were going on. We still managed to fit it in in a very demoralising time and situation that we were living in. We still knew how important it was so everybody was still focusing on achieving what we set out to do. It was very positive from our own management team, and having a goal uplifted each team as a whole* (Leader J).

All 10 officers articulated high awareness and importance of the Everest goal and measures in their interview. Officers considered that it had made a difference to how their leaders worked. In their view, having the goal provided opportunities for officers to become involved in the generation of ideas for productivity and workflow improvements.

> *I think it* [having an Everest goal] *was of use because it gave us something to aim towards. I know that* [leader] *was right on top of it all the time. Then I started looking at it too and it became something that I'm aware of to keep an eye on…it gave us something to aim towards. I thought it was great because it, um – otherwise you just walk in walk out…* (Officer C).

Together, the Everest goal and the structured PMI sessions provided a common purpose, gave a degree of legitimacy, and provided structure and focus for the leaders in a chaotic environment. These findings emerged from interpretation of the references by both leaders and officers as to the experiences of implementing CPLM at such a chaotic time, and to the focus that this provided for them.

> *I think certainly for us when dealing with a lot of negative issues … using positive leadership stuff made the going a lot easier to stay out of the doom spiral, and concentrating on what you are contributing to the overall bigger picture to improve the overall environment* (Leader A).

These findings concur with those of other researchers such as Locke and Latham, (1990; 2002), Kelloway and Barling (2000a; b), and Kelloway, Weigand, McKee, & Das (2013), who contend that goal setting and goal clarity are important features of ongoing high performance. Where

there is a strong contribution goal toward results (such as the Everest goal), a higher degree of meaning has been found to be present, compared to when self-interest goals predominate (Niiya & Crocker, 2008). This contributes to positive meaning and was a key strategy used by the leaders in this study. In addition, Cameron (2008; 2013) contended that, in the implementing his model, leaders who enable meaningfulness and emphasise contribution goals are more likely to experience higher individual and organisational performance. Additionally, leaders have an important role to play in influencing subordinates' beliefs about the worth of a goal and about their ability to achieve that goal (Jackson & Parry, 2011).

Theme 2: Working Differently with Positive Strategies

All of the leaders described, in varying degrees, that they had a higher awareness of self and increased the range of leadership behaviours they used in the workplace. Initially, many found the change in behavioural orientation challenging. Many reflected that they were more aware of their own behaviours and, therefore, more conscious of giving positive feedback as well as expressing appreciation and empathy.

> *It has made a difference, I am more aware of myself. I know myself that I'm more aware of what the officers are doing and conscious to pat them on the back when they have done a good job* (Leader C).

I'm not terribly empathetic…I learned to be a lot more empathetic with people… (Leader D).

The majority noticed that implementing CPLM had made a difference to how they managed their respective teams. Where leaders considered they had not noticed a positive change in their behaviour, colleagues and officers noted that in fact they had changed.

It was different to get our ideas out and be asked for what we think and then getting it done (Officer G).

All leaders were able to describe how they used positive strategies, suggesting they learned new leadership behaviours. Verification came mostly from the leaders' journals and the officer interviews, with examples of positive leader behaviours. These findings corroborate a point of convergence between Cameron (2008; 2013), and Youssef-Morgan and Luthans (2013) who contend that positive leadership behaviours can be learned. Overall, the leaders' implementation approach was to establish a positive frame of thinking and to model positive leadership behaviours in their interactions with others. In doing so, the leaders' approach influenced positivity in others. This supports other research suggesting that, when leaders establish a frame of thinking, it can influence the self-construct in followers (Hannah, Woolfolk & Lord, 2009), and that leaders can affect the self-strategies of followers through the modelling of behaviours (Gardner & Avolio, 1998; Lord & Brown, 2004). Furthermore, the implementation structure (e.g. behavioural focus, structured PMI sessions, Everest goal) provided the leaders with a degree of individual and team psychological safety (Edmondson, 1999; Park, Kim, Yoon & Joo, 2017) to risk working differently from workplace norms; and learning different interpersonal modes that accentuated psychological capital (Luthans, Avey, Avolio, Norman, & Combs, 2006). This is consistent with research that high quality relationships contribute both directly and indirectly to

psychological safety, which is associated with facilitating learning behaviours (Carmeli, Brueller, & Dutton, 2009).

The data showed a consistent trend of leaders applying positive strategies that fostered positive interactions with officers, which was noticed as being different from their usual interaction with leaders. They also used positive strategies to encourage increased performance and express appreciation. When officers described these changes, they noticed "*just little things like giving us a comment when we were working*" (Officer J). Officers also described having more contact with their leaders and having increased opportunities to work in different areas of the workplace. Leaders were "*definitely checking on how we all are, letting us do things more.* [Name of leader]*sorted for me to do some time in the control room, had been wanting to have that for ages"* (Officer G).

One of the most visible indicators that leaders were working differently was their implementation of the PMI practice. The addition of the PMI practice to the CPLM was a core enabler to implement positive strategies directly with their teams. A positive response regarding PMIs was evident from all 10 officers in terms of the positive impact it had on their motivation, job satisfaction, and career development.

> *To be able to sit down and have [*leader*] show an interest in what you're doing kind of motivates you more to think, oh, well I could be doing this, or I could be applying for these jobs, or I should go on this course, rather than just forgetting about those sort of things and just carrying on with your normal* [work routine] (Officer D).

The consistent leader and officer statements relating to the PMI strongly suggest that this practice was a positive addition to CPLM, in that they fostered positive workplace interactions. Leaders received feedback from officers that acted as positive reinforcement for them to continue the sessions, despite the time constraints. Prior to the implementation, this type of regular meeting did not occur. The structure of the meetings, the focus on development and goal achievement, as well as the opportunity to receive and give timely feedback, was considered by all who participated, especially the officers, as different and valuable.

> *…by using those strategies, constantly using them, I could see the positive reaction from the troops, their behaviours – they were more professional in their approach to their job. They were taking ownership. I think it gave them more confidence when they realised that they could achieve and it also made them realise that they had to do the full job rather than rely on their* [leaders] *to do part of it for them. That was different than before* (Leader F).

The data suggest the leaders did view leadership differently and, in so doing, acted differently. Taking such a perspective assists with understanding how to unlock potential, reveal possibilities, and move along a more positive course of human and organisational functioning (Spreitzer, Lam & Quinn, 2012).

Theme 3: Compassion and Connectivity

When the CPLM implementation process commenced, the leaders' primary focus was to increase operational performance to achieve their Everest goal. However, the earthquakes, in conjunction with learning positive leadership behaviours, resulted in them having to deliberately focus on demonstrating compassion and optimism in the workplace. In so doing, leaders had to balance workplace compassion with their prime legislative responsibilities of ensuring continuity and rigor of operational delivery.

> *I have become much more conscious of learning what their* [the officers] *personal circumstances are. I can … anticipate when they are becoming stressed because of their family circumstances. It can dictate what jobs I put them on. So if I think they are stressed, I'm not going to put them into a public role, so I might put them in the control* [room] *role where they are away from the public and their patience is not being tested and that sort of thing. It* [implementing CPLM] *has raised the consciousness of people's circumstances…I made an effort to know what their individual circumstances were* (Leader D).

The findings suggest leaders consciously paid attention both to responding to officer needs and to positively reinforcing the reciprocal nature of the situation for everyone in the workplace, for example, "*I just keep saying the value that they add through turning up*" (Leader J). Officers noticed and appreciated the consideration: *Checking in with us to be sure we were okay and thanking us for coming on shift when we had quakes and aftershocks happening and would rather be at home*" (Officer J).

In times of trauma, experiences of compassion at work are likely to influence deeper affective commitment to the organisation and engender positive emotions (Lilius, Worline, Maitlis, Kanov, Dutton, & Frost, 2008). If compassion is accepted as being the empathetic reaction to observed suffering (Lazarus, 1991) and the actions taken to alleviate the pain (Frost, Dutton, Worline, & Wilson, 2000) then the conditions for compassionate responding to emerge (Madden, Duchon, Madden, & Plowman, 2012) in this study were opportune.

Leaders also made particular efforts to provide opportunities for officers to come together for social events (e.g. "[Name of leader] *appeared and shouted*[1] *coffee for all those working. Good spirit of goodwill, camaraderie, and cooperation exists*" (Leader D). This consideration of collegial social interaction increased connectivity in the workplace. The commonality of the earthquake experience and the implementation of the positive strategies in CPLM provided the opportunity for a mutually reinforcing workplace environment that strengthened and intensified caring, compassion, and optimism. In essence, in the chaotic external environment, the workplace became a '*safe haven*' for leaders and officers. This intensified the likelihood of reciprocal positivity which, in turn, had the propensity to absorb and, to a degree, protect or distract people, from the trauma of the constant natural disaster events while in the workplace. This acted as a 'buffer' between the people in the workplace and the constantly occurring natural disaster events. This sense of support contributed to resilience, social connection, and a sense of belonging in the workplace.

[1] The word *shouted* is local dialect meaning to have bought something for someone else with no gain to oneself

Theme 4: Influencing Performance for the Better

Leaders deliberately emphasised the meaning and importance of the work their teams were doing. The data, particularly from the leader e-journals and officer interviews, indicates that leaders used positive communication strategies in a number of different ways to create a link between performance and meaning. "*Our work is important and everyone has a role to play, we have different roles but they are all important in doing what we do. I really emphasised that for the guys*" (Leader J).

All officers noticed increased focus on people and achievement. Data indicate that, for many leaders, there was a fundamental change in how they recognised and endorsed performance and in how they addressed non-performance. The focus was on using descriptive rather than evaluative statements describing the performance or behaviours desired, rather than stating what they did not want (which was the cultural norm). Surprisingly, all of the leaders described instances of applying supportive and descriptive communication to address performance issues and inappropriate behaviours. "[Name of officer] *is quite a de-energiser in the team, so over the last couple of months I have focused on the positive with this officer and given her positive feedback about work undertaken and also discussed future opportunities with her in a positive manner. There have been noticeable changes in the officer's attitude since that time, however, it will be important to maintain the positive leadership principles otherwise I suspect that the attitudes may revert back*" (Leader B).

The findings indicate that the leaders applied positive communication strategies to reinforce the importance and meaning of the work to encourage high performance and to address non-performance. When positive behaviour is modelled by leaders, it impacts on interactions with others at work (Cross, Baker & Parker, 2003; Gerbasi, Porath, Parker, Spreitzer, & Cross, 2015) and is associated with changes in follower job engagement and job performance (Owens, Baker, McDaniel Sumpter, & Cameron, 2015).

Everest Goal Measures

In implementing CPLM, the leaders had set an Everest goal of being a model international airport, and agreed on eight operational measures they would use as an indication of whether or not that they had achieved their goal. Departing from the interpretivist paradigm, the data gathered here are included as they provide additional information to support the participants' description of their experiences in relation to performance outcomes.

At the conclusion of the six-month CPLM implementation period, the leaders had achieved six of the eight operational measures (see Table 2), aligning with the qualitative data suggesting a greater focus on people and performance during the implementation period. Although we cannot determine causality, given the seismic circumstances encountered in this study it is reasonable to conclude that an outcome of increased operational performance and decreased absenteeism is an extraordinary outcome, particularly when performance, wellbeing, and absenteeism usually suffer following a traumatic event (Alexander, 2005; Goodman & Mann, 2008; Mercer, Ancock, Levis, & Reyes, 2014; Pearson & Clair, 1998; Qin & Jiang, 2011; Sanchez, Korbin, & Viscarra,

1995). The enhanced focus on people and performance through communication and positive workplace climate may have come about because of the earthquake commonality. However, the earthquakes also presented significant stressors into the work environment and had the potential to increase interpersonal conflict and damage the workplace climate. We argue that the implementation of the CPLM strategies practices gave the leaders a set of alternative behaviours during this time, which corresponded with an increase in operational performance. The combination of strategies with the Everest goal enabled different behaviours to be learned and practised, and provided a tangible focus in the chaos of ongoing seismic events. The combination of positive strategies with every day practices enables the development of psychological capacities to be learned, which can predict performance, satisfaction, and absenteeism in the workplace (Youssef-Morgan & Luthans, 2010; Tombaugh, 2005).

Two measures were not achieved: outstanding vacation leave balances, and processing errors. Under the circumstances, the increased leave balances could be explained by the ongoing earthquakes and the reluctance of most people to take a vacation in the unpredictable environment. An explanation for increased processing errors could be the intensified volume and complexity of processing passengers following the earthquake (e.g. response teams entering the country without adequate entry requirements). Another is the significant amount of pressure officers had to deal with in both their personal and professional environment, which possibly affected their concentration. Most probable is a combination of these factors contributing to the increase in processing errors. Disasters are complex events likely to challenge the coping, concentration, accuracy, and memory abilities of most people. In such circumstances, there are a range of normal reactions, including impaired memory and concentration (Alexander, 2005), that may explain the increase in officer processing errors. Given the continuous nature of the disaster, there is also the probability of personal and professional stress affecting concentration and memory (Van der Kolk & McFarlane, 2012).

Conclusions

The main contribution of this study is the finding that leaders learned and applied strategies that fostered positive meaning, positive climate, positive relationships and positive communication over the six month period. They used these behaviours to influence officer performance, foster relationships, express appreciation, and to demonstrate empathy in the workplace.

An important contribution of this study to the applied HRM literature is that leaders who are implementing positive strategies should focus on applying all of the positive strategies, rather than focusing on one fragment of the model. In doing so, this has the potential to support the conceptualisation of the wholeness of the model and supports the concept of leadership being "purpose-driven not targets-driven" (Jackson & Smolović Jones, 2012: 37). This reduces the risk of the Everest goal becoming the *only* focus for the implementation and, consequently, minimising the application of the positive strategies in the process. Additionally, the PMI practice facilitates positive interactions between leaders and their direct reports. In this study, both leaders and officers valued the PMI practice because of the opportunities it provided for supportive communication. In the implementation, the Everest goal and the PMI each have a role to play. But together they act as core enablers for the leaders in implementing the CPLM

strategies. Literature on goal setting, psychological capital, psychological safety, and participative safety support the contention that there is value in adding the Everest goal and PMI practices to the model (see Figure 1). Adapting the CPLM by adding these two positive practices augments the model and provides structure, centrality, and purpose to the implementation.

Another contribution resulting from this study is the finding that implementing the adapted positive leadership model in adverse conditions has the potential to lead to positive results. As previously reviewed, other studies indicate that performance and attendance declines as a result of traumatic events. This study supports the notion that the implementation of positive strategies during traumatic events can have a positive influence on performance and attendance, in situations where one would expect both to decline. However, what cannot be concluded is the degree to which the continuous sequence of natural disaster events influenced emotions which consequently had the potential to influence behaviours and outcomes. External validity of this study is, therefore, constrained, as is the ability to generalise the research findings. This is because the context of the study was within a rank-structured law enforcement organisation in a natural disaster environment.

Finally, this study highlights that leaders are able to independently implement the adapted version of this model with minimal support. This is a key finding for HRM practitioners, in that many potential benefits may be gained through supporting frontline leaders to take responsibility for the practical implementation of the adapted positive leadership model within their own workplaces. The few studies that have looked at the implementation of positive practices have all done so through implementing from a centralised head office rather than through frontline leaders. With a centralised approach, where the majority of the pre-planning and monitoring of the implementation sits with others, there is the potential for frontline leaders to take less ownership of the implementation. Regardless of the good intentions of those leading a centralised approach, there is the possibility for a '*do to*' as opposed to a '*do with*' attitude emerging. Encouraging and enabling leaders to plan and lead the implementation in their own workplace has a higher potential to engender ownership and positively deviant outcomes.

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Organisational change, identity and coping with stress

ROY SMOLLAN* and EDWINA PIO**

Abstract

This paper investigates the impact of stressful organisational change, identity and coping with stress in the context of employment relations. We conducted 31 interviews in a New Zealand public healthcare provider in a study designed to investigate the causes and consequences of stressful organisational change and the strategies participants used to cope. Identity in different forms (personal, role social and organisational) emerged as a salient factor, particularly when self-efficacy was challenged, roles were changed, relationships deteriorated and the participant's value to the group or organisation was questioned. Participants used problem and emotion-focused strategies to cope with the processes and outcomes of change and with identity issues. Our study provides a nuanced perspective of the centrality of identity in navigating stressful organisational change, and contributes to the employment relations literature, particularly regarding occupational safety and mental health.

Key words Coping; identity; employment relations; narratives; organisational change; qualitative; stress

Introduction

A decade ago, despite arguing that identity was in vogue in organisational studies, Alvesson, Ashcraft and Thomas (2008: 7) suggested that research still had the opportunity "to develop novel and nuanced theoretical accounts." In the context of organisational change, research has shown that change impacts on different forms of identity – personal, role, social and organisational. Identity is central to the wellbeing of people (Dutton, Roberts & Bednar, 2010), and when organisational change fragments identity, the outcome is likely to be stress and resistance to the change (Kalimo, Taris & Schaufeli, 2003). The scholarship of employment relations has seldom explored the relevance of identity in organisational change outside the context of union issues (e.g. Harrison, Roy & Haines, 2011). Literature from other disciplines has paid little attention to how identity is unsettled during *stressful* organisational change or to how coping leads to a reconstituted self-identity.

According to Folkman and Lazarus (1985), stress is an ongoing transaction between a person and the environment where causes, consequences and coping are in constant flux. Disruptions to identity can be stressful as they force one to rethink "who I am" (Alvesson & Wilmott, 2002; Brown, 2015), especially when there is a discrepancy between the ideal and "who I am becoming" (Conroy & O'Leary-Kelly, 2014). The fluidity of these forms of identity becomes evident during and after an organisational change when stressful processes and outcomes can capsize self-perceptions. Therefore, our research questions are: What change-related stressors

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influence employee identity? How do employees cope with stressful change-related identity issues? What impact does coping have on self-identity?

Addressing these questions will provide some guidance to employment relations researchers and practitioners in developing consultative practices about organisational change and mechanisms of support for stressed employees. Given that wellbeing is a key element of employment relations (Lo & Lamm, 2005; Rasmussen & Hannam, 2013), and is embedded in legislative regimes in some countries (e.g. New Zealand's Health and Safety at Work Act 2015), aspects of employment that cause stress should be of great concern to practitioners and researchers. The public healthcare sector of New Zealand has a relatively strong union presence (Ryall & Blumenfeld, 2015) and has been through considerable change over the last two decades (McKenna & Richardson, 2003), much of which has negatively affected the workforce.

Research has shown how identity is moulded by discourse (Brown, 2015) and narrative (Chreim, 2005; Humphreys & Brown, 2002). Since language helps in making meaning of experience (Carlsen, 2016), narrative is one pathway to express how individuals affected by stressful change (re)construct identity. Stress is present to some degree in every job and its level may rise (or fall) as change unfolds. A narrative approach is, thus, well suited to revealing how individuals experience and cope with phases of stressful change (Syrjälä, Takala & Sintone, 2009) and to exploring how evolving events and issues shape identity (Giaever & Smollan, 2015).

This paper contributes to the employment relations literature by explicating the dynamics of the relationships between stress, organisational change and identity through a narrative analysis of interviews in a New Zealand public healthcare provider. The study reveals that a range of change-related stressors impact on different forms of identity and that effective coping with stressful identity issues requires a willingness to adopt a reflexive and flexible approach.

Literature review

Conceptualisations of identity

Stets and Burke (2014: 412) define identity as "a set of *meanings* that defines individuals in terms of the roles they occupy, the social categories or groups they belong to, and the individual characteristics that define them as unique persons." Scholars of organisational studies have categorised identity in different ways, for example, as the personal, role and social (Brown, 2015); the personal, social and organisational (van den Heuvel, Demerouti & Bakker, 2014), the individual, group, organisational and corporate (the last being the "branding" of organisational identity) (Cornelissen, Haslam & Balmer, 2007). The concept of work-related identity has been the focus of Dutton et al. (2010), Conroy and O'Leary-Kelly (2014) and Meister, Jehn and Thatcher (2014), all of whom include the constructs of group, occupational, professional and organisational identity. Managerial identity, a combination of role identity and social identity (Tajfel & Turner, 1979), has also been explored (e.g. Cascón-Pereira & Hallier, 2012; Clarke, Brown & Hope Hailey, 2009; Watson, 2009). According to Järventie-Thesleff and Tienari (2016), role identity (perceived expectations of one's role) has slipped under the research radar but they demonstrated its relevance to organisational change during a major rebranding exercise.

Various forms of identity may be tightly interlinked, for example, difficult tasks may signal threats to role identity; poor task performance lowers self-efficacy, a component of personal identity which, in turn, may undermine relational issues (social identity) and put one's continuing employment at risk (organisational identity). That said, one form may become more salient under different conditions (Meister et al., 2014; Ramarajan, 2014), especially when critical incidents occur.

Identity has periods of stability and fluidity (Brown, 2015; Collinson, 2003). Identity construction is, thus, an ongoing process, evidenced through relationships and experiences; it is both shared and singular. Varying identities may be mutually reinforcing, contradictory or in tension (Ramarajan, 2014) and must be managed thorough the reflexive processes of identity work (Brown, 2015; Clarke et al., 2009; Collinson, 2003). Identity construction is precarious and processual (Alvesson, 2010). For example, a study by Kreiner, Hollensbe and Sheep (2006) reveals the struggles of priests to establish a balance between their personal identities and the social/professional elements of their jobs. Thus, identity is malleable and multifaceted, meshed in a complex web of interacting non-linear processes, as individuals seek to make sense of experience

Studies of identity have penetrated healthcare. Cascón-Pereira and Hallier (2012) show how doctors who become managers cope with the tensions between the clinical and the managerial role, both constructed as aspects of professional identity. Pratt, Rockmann and Kaufmann (2006) lay out the processes of identity construction medical residents undergo through their training and career transitions, particularly through the inter-play between integrity and competence. Desombre, Kelliher, Macfarlane and Ozbilgin's (2006) study of medical staff reveal how new expectations of functional flexibility in work tasks influenced role identity. Dawson, Farmer and Thomson (2011) explore how midwives facing change in their profession and needed to protect their status when dealing with the power of doctors.

Stress occurs when organisational members perceive misalignments (Kira & Balkin, 2014) between their jobs and their identities, or asymmetries between their self-perceived identities and the way they believe others view them (Meister et al., 2014). When threats in organisational life destabilise patterns of consciousness, elements of negative identity surface (Alvesson & Wilmott, 2002; Petriglieri 2011). When a sense of loss infuses work-related identity, individuals engage in sense-making, sense-breaking and emotional regulation through a period of liminality until a healthy equilibrium can (hopefully) be re-created (Ashforth & Schinoff, 2016; Conroy & O'Leary-Kelly, 2014). Negative work experiences that impinge on identity influence people to rethink their careers (Lysova, Richardson, Khapova & Jansen, 2015), overtly or covertly engage in resistance (Alvesson & Wilmott, 2002), seek a more salubrious workplace elsewhere or cope with what they have (Rothausen, Henderson, Arnold & Malshe, 2017).

Identity, organisational change and stress

Organisational change is a fertile stream to explore the fluidity of identity, by reflecting on change and telling the story to various audiences (Ibarra & Barbulescu, 2010). Individuals can choose to support those aspects of change which support their identities (Chreim, 2005; Desombre et al., 2006). Conversely, when change triggers a negative identity or threats to an established and preferred identity, stress occurs (Clarke et al., 2009; Petriglieri, 2011).

According to Folkman and Lazarus (1985: 52), stress is "a relationship between the person and the environment that is appraised by the person as relevant to her/his well-being and in which the person's resources are taxed or exceeded." Organisational life has many possible sources of stress that lie in the nature of tasks, internal and external relationships, inadequate rewards and resources, poor communication, dysfunctional organisational cultures and job insecurity (Faragher, Cooper & Cartwright, 2004; Karasek, 1979). Identity issues may infuse many of these aspects of organisational life when the employee is embroiled in tasks and contested relationships that bring into question one's value to the group or organisation (Tajfel & Turner, 1979; Gioia, 2008) and the different roles one might be expected to play (Burke & Stets, 2009).

Organisational change is potentially an additional stressor that may exacerbate pre-existing stress levels (Fugate, Kinicki & Prussia, 2008; Greenglass & Burke, 2001). The processes and outcomes of change will be stressful if personal goals are thwarted (Folkman & Lazarus, 1985), or self-esteem and self-efficacy are threatened (Kalimo et al., 2003; Rothausen et al., 2017; Vardaman, Amis, Dyson, Wright, & Randolph, 2010; Wiesenfeld, Brockner, Petzall, Wolf, & Bailey, 2001). Change can increase workloads, require skills an employee may not have, fracture relationships and lead to insecurity and alienation (Wiesenfeld et al., 2001). Processes of change that are poorly communicated and exclude employee participation may lead to perceptions of unfairness and marginalisation (Riolli & Savicki 2006). Stress may be heightened during transition periods fraught with anxiety over the possibilities of redundancy, redeployment and job redesign (Fugate et al., 2008). When change undermines an individual's feelings of worth and sense of belonging, stress and resistance to change are likely to occur.

During change "identity work may move to the front burner of everyday consciousness" (McAdams, 1999: 486), and what adds to the heat is stressful experience (Rothausen et al., 2017; Smollan & Sayers, 2009). Corley and Gioia (2004) and Hakak (2015) suggest that identity ambiguity and confusion are likely to occur in subtractive change, where an attribute of the organisation is permanently and abruptly removed, such as mass layoffs and corporate spin-offs. A positive identity helps one cope with stressful change (Wiesenfeld et al., 2001), particularly when it is buttressed by self-efficacy (Vardaman et al., 2010) and supportive work relationships that underscore the perceived value of the individual to the collective (Lawrence & Callan, 2011).

In a rare study in employment relations scholarship, Harrison et al. (2011) drew on social identity theory and role identity theory to explore the experiences of union officials who were involved in new union-management partnerships. The familiar collegial identity of the union official as a "defender" of worker rights had been destabilised by the new role identity of the "partner" that is, an occasional co-decision-maker, and caused union representatives a certain amount of angst through what the researchers termed a "blurred identity".

Coping with identity threats occasioned by change, thus, becomes a challenge for employees. Folkman and Lazarus (1985) emphasise that coping is an ongoing process in which people use various strategies, which they classify as problem-focused, emotion-focused and seeking social support. While Folkman and Lazarus employ a psychological perspective, from an employment relations angle, unions, over a long time, have provided a support network for health and safety issues to employees both in instrumental/problem-focused ways and by offering emotional support (Bluen & Edelstein, 1993). The solidarity of social identity helps employees cope with stress. In other frameworks of coping strategies, Latack (1986) categorises responses as control, escape and symptom management, while Moos and Holohan (2003) use a matrix of cognitive-

behavioural and approach-avoidance strategies. Identity is potentially an element of the choice of strategies. For example, a person who uses problem-focused strategies may on rely on self-efficacy and a sense of agency while the use of an emotion-focused escape strategy, such as drinking, may be a sign of low self-esteem and helplessness. Tapping support networks, a key feature of social identity, can be an effective strategy for enhancing a sense of community and wellbeing (Lawrence & Callan, 2011).

When negative aspects of work, such as stressful change, evoke identity concerns they trigger a liminal phase (Conroy & O'Leary-Kelly, 2014) where the individual is groping towards a new reality and trying to make sense of its implications (Rothausen et al., 2017). A noxious brew begins to bubble when individuals need to cope, not only with the new work demands, but also with a fragile sense of self and a questionable foundation of social relationships. Lack of control erodes the ability to cope with stress; conversely one may be able to construct (or reconstruct) positive work identities with support, despite difficult circumstances (Conroy & O'Leary-Kelly, 2014; Dutton et al., 2010).

Prior studies of organisational change have shown how individuals attempt to cope with identity issues. For example, Lawrence and Callan (2011) showed the value of social support during large-scale change and downsizing in confirming salient aspects of professional and collegial identity among health professionals. Clarke et al. (2009) reported that managerial identities and perceptions of integrity were challenged during downsizing in an engineering company, with some managers trying to distance themselves emotionally from their subordinates and to act "professionally". In a study of school teachers facing change, Vardaman et al. (2010) found that support networks enhanced self-efficacy, which enabled the participants to cope with stress by believing that they could exert some control over their new conditions. Van den Heuvel et al. (2014) discovered that police force members coped better with change where they had high levels of self-esteem, strengthened by the perceived availability of identity-related resources, including good relationships with their supervisors, and the belief that they were valued by the organisation. Midwives facing change to their service believed that they had far too little influence as opposed to doctors, who, as one respondent put it, "use us like handmaidens" (Dawson et al., 2011: 157). A nurse facing technological change experienced the conflicting roles of patient care and documentation, "I'm afraid there will be so much writing in the end, that there will be less time for the patient, for the social aspect, and care" (Giaever & Smollan, 2015: 116).

Literature on coping with change tends to focus on the additive effects of stress (Fugate, et al., 2008), or on coping with specific stressors, such as workload, conflict and uncertainty (Greenglass & Burke, 2001; Kalimo et al., 2003) or on coping with limited forms of identity (van den Heuvel et al., 2014). Omitted from examination are the relationships between three targets of coping with stressful change. Coping with identity issues goes beyond the strategies addressed in well-known models of coping (e.g. Folkman, Lazarus, Dunkel-Schetter, DeLongis, & Gruen, 1986; Hobfoll, 2001; Karasek, 1979). From a theoretical point of view, a redesigned job may create stress through difficult tasks and relationships in a different department, anxiety about failure and alienation and an identity of disintegrating self-efficacy and social standing. Attempts at coping with the taxing new work tasks, by asking for instrumental support, may reduce anxiety about failure but undermine self-efficacy. More constructively, when the employee positively re-appraises work tasks as an opportunity to learn from others, perceiving this as a challenge rather than a threat (Folkman et al., 1986; Fugate et

al., 2008), the individual is better able to adapt to the tasks, reduce anxiety and bolster personal and social identity.

There is insufficient knowledge on which forms of identity are evoked when a stressful change occurs, what triggers them and how individuals cope with the specific stressors, with the strain and with threatening identity issues. We sought to bridge this gap by investigating how participants in an organisation undergoing change experienced and coped with these interlocking sources of stress.

Method

Theoretical foundations

Self-identity is a social construction (Alvesson et al., 2008) in several senses. Firstly, the abstract nature of identity means that making sense of it, other than through the intuitive understanding of the self, occurs through language (Carlsen, 2016). Secondly, employees constitute and reconstitute their subjectivity through many discourses (Brown, 2015) and narratives (Ibarra & Barbulescu, 2010; Humphreys & Brown, 2002), as they relate to their surroundings. Thirdly, research about identity generates a different type of discourse about employee identities and fixes labels, such as the personal, social and organisational (e.g. Stets & Burke, 2014).

Narratives of identity are "accounts of events in the world which are organized in a time-related sequence" (Watson (2009: 429) and there is a uniqueness in how a narrative is created thorough the interplay between the individual, others and the environment (Boje, 2001). According to McAdams (2001), narrative creates unity and purpose in life through reflexively constructing stories that are lived through. Narratives represent experience and reveal how identity is negotiated and understood. Furthermore, "it is possible to locate all our actions within stories" (Ramsey, 2005: 226), to have multiple tellings, themes and endings and to shift our focus from what is "true" to what will enable change and a stronger sense of self (Dutton et al., 2010). Thus, narrative can be both creative and descriptive and individual narratives often compete against organisational narratives which are embedded in power relations (Brown, 2015; Dawson et al., 2011). Narrative analysis allows for the simultaneous exploration of multiple identities (Ramarajan, 2014). The diverse nature of the self can reinforce ambiguity and insecurity, particularly within a context of social change, workplace relations and power asymmetries (Alvesson, 2010; Collinson, 2003; Corley & Gioia, 2003; Humphreys & Brown, 2002). Additionally, narratives are sequenced and situated in time and space; they are a way to process information, make meaning of emotions and facilitate our understanding of reality (Dailey & Browning, 2014).

Narratives have "no automatic starting and finishing points" (Squire, Andrews & Tamboukou, 2008: 3) and though diverse and multi-layered, they enable the description, understanding and explanation of specific phenomena. Identity is co-constructed in a research situation where meaning is explored and negotiated (Dawson et al., 2011; Watson, 2009). Narratives are, thus, an important way of revealing the fluidity and precariousness of identity through the phases of a stressful organisational change.

Research site and participants

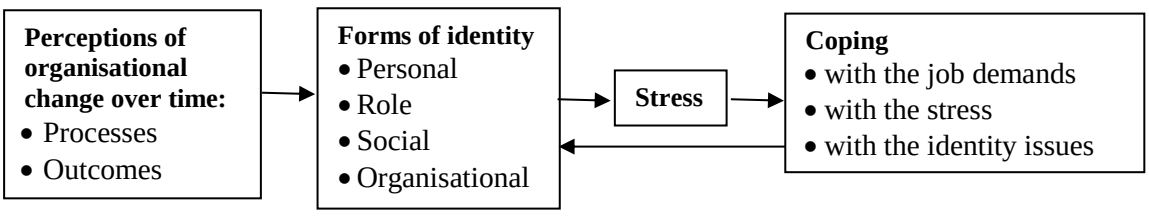
The site for our study was a District Health Board (DHB) in New Zealand that provides public healthcare services through a range of hospitals, clinics and specialist centres. Reforms in the country's public health sector over many years have been directed at increasing its coverage and quality, while seeking to control its costs (McKenna & Richardson, 2003). The DHB in our study provided access to nearly 200 employees whose departments had recently been through considerable change as part of, or alongside, a series of restructurings that led to the centralisation of some services, the disestablishment and redesign of roles, redundancy and redeployment. Employees were invited to contact the researchers directly.

Semi-structured interviews with 31 participants were conducted by the first author in 2012. There were 22 White participants, three Maori, four Asian and two of Pacific island heritage. Ages ranged from 32 to 65 (mean 40.3) and length of service from four to 27 years (mean 10.7). Nineteen participants were in clinical positions (e.g. nursing and physiotherapy) while the balance had administrative jobs (such as in accounting and training). Twenty-five were managers (two senior, eight middle, 15 supervisory or professional team-leaders) and six were non-managerial employees. Interviews between 35 and 75 minutes were conducted at various DHB sites and the participants were asked to define stress, outline one change and discuss the stress that had occurred before, during and after that change. Questions were asked about the causes and consequences of stress and about coping strategies. Interviews were recorded and verbatim transcripts were made available to the participants, who were coded with letters from the alphabet.

What clearly emerged from this data was the unanticipated impact of identity in experiencing and coping with stressful change. Regarding interviews, researchers note that interviews, "should be treated as a terrain where certain things can be found that are capable of yielding meaning, insights and even pleasure" (Gabriel, 2015: 335). Furthermore, in using inductive research methods, "Insights can appear suddenly or develop incrementally" (Eisenhardt, Graebner & Sonenshein, 2016: 1120), and that "it is important to give time to process and digest the unexpected" (Åkerström, 2013: 11). Since identity had glimmered almost subliminally in the current study, it was then exposed to a focused investigation.

Figure 1 is a map of the terrain to be explored (Miles, Huberman & Saldana, 2014). It indicates that different phases of change affect four forms of identity and that the coping strategies used lead to a reframing of the individual's identity.

Figure 1: Model of organisational change, identity and stress



Data analysis

Our data analysis involved two phases. The first involved thematic analysis. According to Braun and Clarke (2006), there are six steps to be followed: becoming familiar with the data through repeated readings of transcripts, generating initial codes and collating the codes into these, reviewing and consolidating these themes, defining them and writing up the analysis. Given that the interviews were not designed to explore identity, we were not "trying to fit into a pre-existing coding frame, or the researchers" analytical preconceptions" (Braun & Clarke 2006: 83). We read the transcripts several times, looking for comments reflecting identity. While authors have categorised identity in various ways, our codes developed out of four separate but inter-twined forms of work-related identity described in the literature (e.g. Alvesson, 2010; Burke & Stets, 2009; Collinson, 2003; Conroy & O'Leary-Kelly, 2014). These forms are the personal (relating to self-concept), role (perceptions of the expectations of work roles), social (including occupational, professional, collegial, managerial and ethnic identity) and organisational (a more diffuse extension of social identity). We, then, looked for triggers of identity construction and grouped them into seven themes, such as changing roles or groups, lack of participation in decision-making and the stress of others. Some of these causes (i.e. the stressors) had emerged in an earlier phase of the wider project on stress and organisational change, but while identity was certainly not a latent feature of the majority of comments, those we found were sufficiently representative to coalesce into a coherent theme. Representative quotes of seven participants highlight stressful identity issues but it should be emphasised that the responses of other participants also fitted into these themes.

Next, we searched for ways in which the same participants had coped with identity threats. Here again we selected a representative quote, related it to different forms of identity and analysed the stressor-identity-coping relationships. We particularly looked for evidence of how coping strategies resulted in a reconfiguration or self-verification of identity (Meister et al., 2014). While we used the same coding framework as in Table 1 (forms of identity), we needed to re-code the identity in terms of how the participant had coped with the identity issue, not simply with the stressor.

Given that the tables provide isolated snapshots of identity, we then sought to present greater depth of experience in the second phase of our analysis by selecting the narratives of three participants whose rich descriptions illustrate how their identities were re-examined through different phases of change. Trajectory, according to Rothausen et al. (2017: 2368) – "the sense of past, current, and future coherence in growth and development over time" – is a key pillar of identity. Narrative analysis works well, according to Dailey and Browning (2014), when the story is presented in sufficient detail with, if possible, an identifiable, beginning (before change in our study), middle (during change) and end (after change), "complete with a moral and with an agreed plot" (Boje, 2001: 3). Yet, as Dawson et al. (2011) and Squire et al. (2008) point out, narrative plots do not necessarily roll out in a neat, linear fashion.

Findings

All 31 participants acknowledged that varying levels of stress had been present in their jobs before the change. The causes differed, but included challenging workloads, goals and deadlines, and difficult relationships with other staff, patients and their families. The announcement of change, which signalled an uncertain future, especially regarding their own

roles, became a significant source of stress. Processes of change were seen by some participants as damaging to their wellbeing, particularly when there was a lack of participation in decision-making and inadequate or insensitive forms of communication which undermined their perceived value to the organisation. After the change, many participants found that workloads had increased and resources had shrunk. Facing new roles, expectations and relationships (for example, clinicians taking on part-time team leader roles), added stress, but for some also provided the excitement of challenge.

Identity threats from stressful change

Different forms of identity were threatened in a number of ways (see Table 1). Struggles to cope with heavier workloads triggered feelings of incompetence. Awkward moments and hostile comments greeted some of those who transferred to other departments or took on new roles. Participants interpreted cursory explanations of change by senior managers as signs that they and their colleagues were not valued. Stressors affected different aspects of identity. For example, participant EE experienced a heavier workload after the change (role identity), feelings of incompetence as he struggled with this workload (personal identity), and the embarrassment of being relocated to a desk in a hospital corridor (which damaged his personal, social and organisational identities). Well-intentioned offers of psychological support from his colleagues, which could have reinforced his social identity, were unwelcome because he felt his colleagues believed that he was not coping, a perception that further eroded his self-esteem.

Table 1: Change stressors and identity

Identity stressor	Participant comment on cause of stress	Main form(s) of identity	Analysis of change-stressor-identity relationships
Poor communication and lack of participation in decision-making Management unilaterally changed the length, timing and frequency of shifts for a group of clinical professionals. (S – clinical manager)	It was done really badly…there was no discussion, it was just dumped on us…They came into a meeting and then it was just BOOM - this is what we're going to do, there was no discussion, there was no reason why, other than it was going to be cost saving for the organisation. And it caused a huge amount of stress for myself and my colleagues…we would have to be here a lot more.	Personal: self-worth Social: subordinate, colleague, family member Organisational: employee	Lack of consultation marginalises employees who begin to doubt their self-worth. Exclusion from decision-making leads to a questioning of one's organisational membership but may strengthen one's collegial identification.
Changing job roles that increase workload and job complexity Following a restructure, clinical team leader positions were created that combined clinical work with the oversight of professional development for colleagues. (K – clinical team leader)	You get treated like you don't manage your caseload properly…it is because you're incompetent…Trying to still maintain my little bit of overtime for the clinical role but [the team leader role] in the last month was roughly 20 hours, but it's only eight hours a week, designated.	Personal: self-efficacy Role: workload Social: occupation/ profession Organisational: employee	Employees who have two or more roles have to deal with greater identity and task complexity. When organisational change creates raised expectations of the quantity and quality of work of an employee, stress results from reduced self-efficacy and resentment towards the manager and organisation that have initiated new role expectations.
Changing work groups After a redundancy and job resign process the participant was moved to a specialised role in another hospital where an existing staff member had been laid off. (L – clinical educator)	If you're working at a hospital, where they don't know you, they don't know your clinical expertise…they're much harder to engage in a programme which they think doesn't make any difference for them…I was expecting a bit of a welcome, and I was in tears within five minutes. [One person] was very angry about what had happened to [a colleague] and had seen her distress. Everybody loves her. I'm the new jumped-up upstart who got the job which she decided not to apply for.	Personal: self-worth Social: profession/ colleague	Stress occurs when an organisational change means a hostile new work group is entered.
Lack of support Following a restructure the participant was moved to another department where managerial support was absent. (X – educator)	She didn't have any understanding of our roles. She was busy but she'd said that she would make the time, which didn't happen…That made us feel really undervalued and more of a nuisance than being part of a team.	Personal: self-worth Social: profession	Lacking support from the manager undermines self-worth and threatens social identity.
Threat of redundancy	For all the staff it was pretty ruthless, what was happening...We were told we'd probably lose	Personal: self-worth Social: colleague	The threat of redundancy rupture personal social and organisational identity.

The announcement of restructuring and possible redundancies was a source of stress to a manager and his team. (N – administrative manager)	our jobs…It became like the big sword of Damocles hanging over you all the time. That started to wind up the stress.	Organisational: employee	
Stress of others Although not in scope for redundancy the participant was keenly aware of others' stressful responses to the announcement. (V – clinical manager)	What I found stressful was the distress of the staff who had been informed that they may lose their jobs. They'd be at my door worried about the partner might've been out of work, or how are they going to feed the kids.	Personal: self-authenticity Social: colleague/ subordinate	The stress of others facing stressful change elicits the support of colleagues (and managers) who feel the need to act with self-authenticity.
Inadequate office location The participant was moved from an office to an open corridor in a hospital. (EE – administrative professional)	It was demeaning where they placed me… basically in a passageway with a desk and a computer. I've got confidential stuff on my computer and I've got people walking past the back of me…It was crap. I had cardboard boxes with my files in them, next to my desk, I didn't even have a filing cabinet.	Personal: self-worth Social: professional, subordinate Organisational: employee	Inappropriate office space has a symbolic dimension that lowers self-worth and undermines relationships with immediate supervisors or other decision-makers.

Coping with identity threats

To cope, participants utilised various strategies, some of which were aimed at minimising the specific stressors, others at dealing with negative emotions and/or identity issues. While some participants relied on their resilience, confidence and optimism, others sought support (tangible and psychological) from people inside and outside the organisation. Some were in clinical professions whose governing bodies required professional supervision, the opportunity to discuss client-oriented matters with a competent peer (see for example the *Supervision Guidelines* of the New Zealand Psychologists Board, 2010). These participants tended to report how much beneficial support they had received from these quarters. Table 2 presents the complexity of coping responses and their influence on self-identity.

Table 2. Identity and coping with stressful change

Identity stressor	Participant comment on coping	Form of identity	Analysis of change-stressor-identity-coping relationships
Poor communication and lack of participation in decision-making Management unilaterally changed the length, timing and frequency of shifts for a group of clinical professionals. (S – clinical manager)	I thought, I wonder if there's a way that I can roster it so that the organisation is still gaining back money, but we can have what we want. And that's often my response to any kind of thing that's quite stressful. Is there a way that I can make it work so that it's a win-win for everybody? And so that's partly what I did and so I came up with the solution that was eventually adopted.	Personal: self-worth Social: subordinate, colleague, family member Organisational: employee	A practical solution devised by an employee can enhance perceptions of worth and authenticity while enhancing social and organisational identity.
Changing job roles that increase workload and job complexity Following a restructure clinical team leader positions were created that combined clinical work with the oversight of professional development for colleagues. (K – clinical team leader)	It got to the point where I felt like I had to have the one glass of wine and if I'd run out I'd have to go and buy a bottle…I put my head down and worked harder and harder…Then I completely blew my stack and said it how it was. And that actually felt quite good! ...I basically said, either the job needs to be expanded to have more hours or we need to trim the job.	Personal: self-efficacy Role: workload Social: occupation/ profession Organisational: employee	Maladaptive coping was replaced by a confrontational then collegial approach. Venting about workload to colleagues and the manager, accompanied by a practical solution, would enhance self-efficacy and role identity.
Changing work groups After a redundancy and job resign process the participant was moved to a specialised role in another hospital where an existing staff member had been laid off. (L – clinical educator)	Just kept my head down, tied myself in the office, did the job. Always say hello to her. Just nicely…don't stand up to her. I just let it go.	Personal: self-worth Social: profession/ colleague	Avoidance coping may be chosen when self-worth and social identity cannot be protected.
Lack of support Following a restructure the participant was moved to another department where managerial support was absent. (X – educator)	We would have our new team meetings, so that was a good opportunity to be chatting I felt really supported by my colleagues in the office, who were still part of the original team that we were in…I've got a very supportive husband.	Personal: self-worth Social: profession, colleague, spouse	When managerial support is absent, social identity drives employees to look for support from their colleagues and others in their personal networks.
Threat of redundancy	As a team we sat down and discussed it…Because I just didn't know how it was going to affect my team. Obviously I knew	Personal: self-worth, self-authenticity Social: supervisor, colleagues Organisational: employee	Dealing with the stress of their own possible redundancy and feeling responsible for the wellbeing of a team

The announcement of restructuring and possible redundancies was a source of stress to a manager and his team. (N – administrative manager)	I had to reapply for my job...They're my blokes...you can't just leave everyone in the lurch**.** It's bad enough I got left in the lurch but I'm not going to do the same for them...I would work maybe a little bit longer hours, I would do a bit of research, I would actually ask more questions, I would get information.		may lead managers to focus on supporting subordinates and looking after themselves. The first is a manifestation of self-authenticity and enhances collegial and subordinate relationships, the second aims to stabilise self-worth.
Stress of others Although not in scope for redundancy the participant was keenly aware of others' stressful responses to the announcement. (V – clinical manager)	They'd come to the office, stand at the door, talk about…I'm looking for a job here, and what do you think about that? It was actually okay. It wasn't creating additional work. I like to be supportive of my colleagues.	Personal: self-authenticity Social: colleague	When one has limited power and self-efficacy to address the stress of others, supporting them enhances self-authenticity and is a coping mechanism to deal with one's own stress.
Inadequate office location The participant was moved from an office to an open corridor in a hospital. (EE – administrative professional)	I kept saying to them, I can't work like this... I [also] started trying to walk more and that sort of thing to just sort of ease myself – I realised what I had to do – I had to look after myself, survival instincts, I realised I had to cope.	Personal: self-worth Social: occupation, subordinate, colleague Organisational: employee	When requests for tangible supervisory and organisational support do not work, employees need to cope with lowered self-worth.

Examples are provided by the same participants found in Table 1, that indicate that some of the coping strategies they used helped them maintain a positive identity while others used maladaptive approaches, such as drinking and over-eating, that exacerbated negative identities. An identity-based stressor may have resulted in the deployment of a specific coping strategy but parallel strategies were also evident. For example, K used an assertive, even confrontational form of coping, in venting about workload in the roles of practitioner and team leader, but also used escape coping through higher levels of alcohol consumption, thereby undermining the self-esteem aspect of personal identity. In the context of restructuring and possible redundancy, the role of support could help participants cope by reinforcing their identities. In this regard, N and V revealed the self-authenticity element of personal identity by showing concern for the wellbeing of others, both colleagues and subordinates. While this support may have bolstered the identity of the others, it had the simultaneous impact of helping the participants cope with their own stress by strengthening their identities.

Stories of identity through phases of organisational change

The power of the narrative approach lies in its potential to tell a coherent story of idiosyncratic recollections of experience over time. The next section, therefore, features the stories of three participants, providing rich, in-depth accounts that reveal how identity is constituted and reconstituted before, during and after stressful organisational change. D's story focuses on her inadequacy as a manager and colleague in alleviating the stress of others, illustrating the impact of powerlessness on identity construction. O's story highlights how cognitively reframing change led to a sense of responsibility for her own emotional state and a strengthening of personal and professional identity. In the third story, FF presents a saga of stress over a long period of personal and organisational change. While the absence of organisational support was particularly stressful, the presence of social support, through the ethnic dimension of social identity, helped him cope.

D's Story

Before change

As a senior clinical manager, D's role subjected her to what she termed "normal, everyday stressful things", such as difficult staff and accountability for decisions. She coped with this partially through peer supervision, maintaining that it was not "healthy to try and do the job without it." There had been changes at a local level of the DHB but rumours began to circulate that a major organisational restructuring was taking place. What disturbed her were the disempowering leadership styles of two members of the executive team (one replacing the other) who had been instrumental in a series of restructurings.

> *The first one didn't describe himself to us...he had an agenda which he didn't share with us at all. The second one was very clear. I'm an iron fist in a velvet glove, so I'm really clear about my expectations, what I want and I will come down on you hard if you don't meet them.*

The impact on D as a senior health professional and manager was profound. Lack of information and consultation was taken as a sign of disrespect for her and her colleagues.

> *There was actually a plan, but they didn't tell us that there was a plan and for me, that would be my first milestone in terms of being a stress factor. I think the DHB employees mainly are fairly intelligent, clear-thinking people and…it's very stressful when you feel like people are treating you like you're stupid and you know there's something going on but they won't tell you.*

During change

D's job was not directly affected by the restructuring but she was stressed by the pain experienced by her colleagues and her inability to do much about it. Acknowledging a sense of "survivor guilt", what bothered her immensely was that she felt "helpless to be able to do anything about what felt like a rollercoaster out of control for the people who were going through that." During the transition phase her identity was shaken by being unable to forestall or substantially mitigate these effects. "I'm in a senior role where helplessness and powerlessness are not my usual lived experience, so to suddenly find myself in that place was very uncomfortable and that was stressful…and quite devastating." She acknowledged that at times providing psychological support to colleagues and subordinates was beyond her capability and undermined her authenticity and her identity as a caring manager and colleague.

> *It was quite challenging at times…to not swear at people and tell them to pull their heads in and not be so self-serving and entitled, and be thankful they've got a job and just get on with it...I'm trying to keep my face and my body language and my tone in a way that is engaged with this person, but it's at some degree of dissonance with what's actually going on for me...I like to be honest and transparent but for some time there I could not do that.*

D considered the support of her immediate superior to be unquestionable and of great comfort. In addition, discussing matters with colleagues was very helpful. "Knowing that the other person is in the same place as you makes you feel less alone and isolated and all of those sorts of things, so certainly peer support is really important." To cope with her own stress she also continued to access valued professional supervision, a formal requirement in certain health-related disciplines that allows professionals to discuss work issues with another professional.

After change

D was painfully aware that further changes could take place at any time. The combination of lack of job security, lack of consultation and the perception that the organisation did not care for its staff, had undermined her trust in the organisation and her affective commitment to it. The dynamics of the restructuring had:

> *made me question my psychological contract to the organisation and I think probably damaged it to a point where some things have been lost. They'd already decided what they were going to do before they put the document out. What we say won't change things.*

She believed that the array of coping strategies she used were largely effective in bolstering her compromised sense of wellbeing. Of particular help was the continued support from her manager, colleagues, peer supervisor and also from some people outside the organisation.

O's Story

Before change

Possessing a professional qualification, O was in a supervisory administrative role that provided support to a section of the organisation. Her first source of stress was acclimatising to a new organisation, followed by dealing with the conflicting demands of servicing two departments and problematic staff matters. Advice from the human resources department helped her deal with these relationship issues.

During change

Prior to the centralisation of many of the administrative services in the DHB, staff were invited to make submissions. O initially believed that consultation was genuine. "My team and I gave feedback in good faith, thinking that because we worked in the area, some of our ideas may be adopted for the good of the organisation." However, as the lengthy process unspooled her optimism vanished and was replaced with negative emotions. O's role was disestablished and she was unsuccessful in obtaining one of the new positions. She was given the choice of taking redundancy or a contract role and opted for the latter. This impacted on her personal, role, social and organisational identities.

> *The restructure went as what the proposed document stated. So in the end, you really don't know whether giving feedback is just a process that they had to follow…I felt angry because I did put 110 percent into my job to make it successful. I felt out of control, which is really new because I'm the one that always makes the decision to move, not someone to dump you. I felt sad as well. I felt betrayed…I'm used to change because I migrated…to New Zealand…and I've always been in control of the change. This is the first one that I've lost control.*

She benefitted from the emotional support of her manager, who also coached her in applying for new roles and in using interview techniques. However, O relied largely on her own psychological resources and remembered being:

> *Angry and helpless...but once you get past that then I think then I'm back in charge, but in control. You can't go and stay in a helpless state for long, otherwise I'm the person that's suffering from that. It's recognising my emotion and getting on top of it.*

After change

For O, matters worsened in the initial stages of the aftermath. Not only had she lost her managerial role and permanent status, she had to move offices in a demeaning way.

> *I was asked to vacate the room that I used for two years...to go into an open plan office. I was told not to attend group meetings because that's no longer in my role. I feel that I was packed to one side…that is the most emotional thing…it's like being discarded.*

Over time she adapted to her new role and status and was confident of finding a professional role elsewhere, but with a lingering sense of resentment, believing that she been "victimised". In response, she no longer put in the extra time she had done previously, took the odd day off when stressed and reframed how she viewed her contract position. Her organisational identification declined. "I joined the organisation because I admired its values, but the things that are going on are not reflective of those published values anymore…For a health organisation it can be ruthless."

FF's Story

Before change

With a professional clinical qualification, FF had graduated in time to a managerial role, catering to an ethnic sector of the population. His initial stress centred on learning to deliver in a new environment but with a supervisor who "was a person of wonderful substance really, a person of excellent credibility and very, very supportive. Otherwise I don't think I could have made it."

During change

Rumours of change in many sections of the DHB surfaced in FF's network following a major restructuring in the organisation. In time, the DHB transferred responsibility for some services for this ethnic community to a department that dealt with funding a wide range of programmes and services. As a result, some jobs in this department were disestablished, new ones were created and some were left unchanged. While FF's role did not change, he disliked both the process ("people felt uninformed in terms of the restructuring") and the outcome of the new system.

> *Because we are the Maori, we were Maori Health at that time and we had clear understandings through consultation with our people in the community, about where the needs were best met within those contracts. Planning and Funding had no idea about that, they were never involved in it...So what I saw was the whole dismantling, really, of Maori Health...it was a constant point of contention and discussion in the team and it brought about a lot of stress in the team, it brought about a lot of worry, a lot of fear.*

After change

For FF, the consequences of change were a growing workload, the lack of tangible and psychological support to manage it, the marginalisation of the ethnic group of which he was a member and whose unit served it, and threats to the job security of its staff. The pressures on him multiplied rapidly as the staffing resources in his team diminished. As part of the changes, a new senior manager in Planning and Funding took over and made a number of key decisions without consulting FF's boss, who "in despair, resigned". Losing a key source of support reinforced FF's own sense of dislocation and dismay at what he saw happening. His role expanded significantly but his title and remuneration remained the same and he had to manage his responsibilities with minimal administrative staff. He reported, "I didn't have the [administrative] skills to do it...I asked for support, the budget was there to pay for it, but I wasn't allowed to use the budget." A new manager to whom he was expected to report admitted to knowing nothing about Maori Health. "I was left on my own and that's where all those stresses came from."

The consequences for FF were severe. He claimed, "I wish to God that I had never, ever taken that job on. It was the most horrendous thing that's ever happened to me in my life…It was an absolute nightmare." To cope he withdrew to the comfort of his community.

> *I went home, I went back to where my ancestors come from…I have a home up there and it looks out over the sea…My ancestors, my mum, my brothers and all that are all buried up there and I just felt some solace in going back there and rejuvenating my spirit.*

He was scathing about the lack of support of the chief executives during this period.

> *With all their korero [discussion] around values and champions and this, that and everything, [they] had a bloody cheek to talk about…how we should be supporting each other…and they didn't even look after their own managers; they couldn't give a rat's arse about us.*

When asked if he had sought support from the organisation's employee assistance programme he replied:

> *They've always offered all that, yeah. But quite honestly, to a Maori, it doesn't mean a damn thing. We don't need that. Because it's our cultural needs, our spiritual needs and our values, that these things the hospital don't even recognise and have no understanding of those needs whatsoever. So we have a tendency to go to each other,*

> *or we go back to our families, or we go back to our turanga waiwai, to our homesteads…that's where we get our assistance from.*

In reviewing the long period of restructuring, including ongoing initiatives, he lamented:

> *What's happening is Maori Health has found its services being shrunk, being minimalised…If I was to compare Maori Health to every other service in this organisation, we would definitely be the poor cousins, in every way…I don't think you would find one Maori person that would say the DHB was honest, in terms of what it was setting out to do, it was actually ripping apart Maori Health to achieve another end. I mean this is a process that's done at a very high level, through mainstream understanding that totally alienates Maori and we were never really truly involved.*

Overwork, anger and marginalisation stoked his stress levels to dangerous levels, eventuating in his hospitalisation. He was aware that he had not coped well with the prolonged stress of the various changes. Together with seeking social support, his escape-driven tactics allowed him some respite until he chose to take another role in the organisation. His self-efficacy floundered as he struggled without tangible support, and while his (ethnic) social identity was a solace, the perceived threat to this group undermined his organisational identity.

Discussion

Evidence from our study extends previous research into the undermining of identity and wellbeing by stressful organisational change (Hakak, 2015; van den Heuvel et al., 2014), but also reveals that participants who believed that they could cope with the stressful change maintained or enhanced a positive work-related identity. We first analyse the identity-related stressors, then the strategies used to cope with them. While the comments in the tables isolate certain stressors and how the participants coped, the three in-depth narratives point to the dynamic nature of the model in Figure 1 and how various forms of identity are reconstructed as the change unfurls.

Change stressors and identity

Our findings indicate that issues from all four forms of identity (personal, role, social and organisational) emerged from the interview data. Work life for many people is characterised by a plethora of issues, events and relationships, some of which can become particularly meaningful for their identities. Events trigger what authors have referred to as identity construction (Alvesson, 2010), identity work ("efforts to craft the self" (Conroy & O'Leary-Kelly, 2014: 69) or identification (the aligning of self- and social identity) (Ashforth & Schinoff, 2016; Kreiner et al., 2006). The participants in our study spoke of stressors that appear in other empirical studies of organisational change, such as increased workloads and role expectations that lower self-efficacy, of negative relationships that compromise social identity, and of poor leadership and communication practices that wreak havoc at the interface between personal and organisational identity (Clarke et al., 2009; Riolli & Savicki, 2006; Wiesenfeld et al., 2001).

While it is unsurprising that negative emotions surface during stressful change, it is notable how they infused the identities of participants in the current study. For example, O's bitterness over being "betrayed" and "victimised" reveals the fractures caused by change to social and organisational identity. D's despondency over her inadequacy in alleviating the stress for her subordinates and colleagues, despite her senior management position, undermined her managerial

identity and self-efficacy. Her "survivor guilt" further destabilised her social identity and self-authenticity (which Burke and Stets, 2009, label as an element of personal identity). The importance of FF's ethnic identity, underscored by his occasional use of Maori language in the interview, was reflected in his dismay at the impact he saw of organisational restructuring on Maori staff and led to the loosening of his organisational identity. The part played by emotion in the construction and destruction of identity has been emphasised by researchers (e.g. Ashforth & Schinoff, 2016; Cascón-Pereira & Hallier, 2012, Kira & Balkin, 2014).

In traversing through change, the temporal nature of identity becomes salient. According to Rothausen et al. (2017), trajectory is a sense of identity through the past, present and future. Our interviews tracked experience before, during and after an organisational change and clearly revealed how lack of consultation, job insecurity and inadequate support led to a reframing of identity. D's comment that "I'm in a senior role where helplessness and powerlessness is not my usual lived experience" is a particularly poignant reminder of the fragility of identity in fluid organisational settings. Uncertainty is characteristic of liminal identity during transitions (Conroy & O'Leary-Kelly, 2014). It is heightened by a lack of perceived control (Wiesenfeld et al., 2001) and a sense of loss (actual or impending), when individuals struggle to release the old (and preferred) identity and assume a new one (Conroy & O'Leary, 2014; Kira & Balkin, 2014).

Coping with identity stressors through organisational change

Coping with stress involves confronting the stressor with a problem-focused (Folkman et al., 1986), action (Latack, 1986) or approach strategy (Moos & Holahan, 2003). These are generally used when the individual believes that something can be done about a stressor (Folkman et al., 1986), such as influencing a change process or outcome (Fugate et al., 2008). The current study showed how participants sought to achieve beneficial outcomes for themselves and others by confronting those who undermined them, using their initiative, cobbling together coalitions or asking for tangible support, such as the reduction in unmanageable workloads. Emotion-focused (Folkman et al., 1986), escape/symptom management (Latack, 1986) or avoidance strategies (Moos & Holahan, 2003) were used when the participants found it best to wait for events to unfold or when they had little prospect of influencing them.

What emerged from our study is the complexity of coping strategies when identity is salient. Firstly, role identity, according to Stets and Burke (2014), relates to expectations, and in organisational settings, particularly those involving change, not completing new tasks or achieving new goals or standards, lowers the self-efficacy component of self-esteem. Thus, participants like K and FF, who were struggling with heavy workloads, laboured to meet new task expectations, the former by trying to reduce her workload, the latter by trying (unsuccessfully) to acquire administrative support.

Dealing with new relationships, during and after restructuring, triggered negative social identity issues for some participants, particularly when they were held accountable by colleagues for their own redundancies or those of others. To cope, some used cognitive strategies, such as reframing the conflict as not being personal but rather a manifestation of others negative emotions or destructive personalities. Many mobilised social support from various quarters inside and outside the organisation. Particularly relevant to many was collegial support, since it reinforces bonds when group identity is threatened. When change occurs and stress radiates, colleagues within and across departments and professions converse about their jobs in multiple forums. As Clarke et al. (2009) argue in their empirical study, there are many competing discourses on which employees

can draw in redefining social identity. They may result in a reaffirming sense of the collective experience, the "antagonistic" discourse of individual or group marginalisation and the often discounted official discourse. However, some participants in the current study found that group sessions could exacerbate rather than mitigate stress, and therefore avoided them.

Organisational identity is eroded when employees feel that they or their group are under-valued by their organisations. Gioia (2008: 63) argues that, "Identity is about us as individuals – and as organisation members – and it enquires into the deepest level of our sensemaking and understanding." Remarks by participants O and N that the DHB was ruthless, and by FF that it did not care for its Maori staff, are sober reminders of how stressful change may be detrimental to organisational identity.

The fourth type of identity, personal identity, relates to self-conceptualised personality and values, and is a foundation stone of self-esteem (Stets & Burke 2014). Thus change participants may not only have to cope with the identity issues sewn up in new role expectations and social groups, they also have to grapple with their own self-esteem, particularly low self-efficacy. In this vein, some participants did not want to be seen as being unable to cope with stress. For example, although he was struggling with a heavy workload and his relocation to a hospital corridor, EE remarked that he was uncomfortable with collegial support, because it revealed to others how stressed he was, an image that undermined his self-esteem. The perceived stigma of stress can result in silenced voices. Thunman and Persson (2015) report that this may dissuade individuals from asking for support even when they need it. Harkness Long, Bermbach, Patterson, Jordan and Kahn (2005: 128) found that, while many of their participants believed work stress was normal, they strongly felt that "being unable to cope with stress was seen as abnormal, or unacceptable, indicating the presence of a personal weakness or flaw." Maladaptive coping strategies used in the current study, such as over-reliance on alcohol or food, may have provided short-term relief, but further frayed the edges of self-esteem. More positively, some participants gave considerable support to others, leading to feelings of self-authenticity (Stets & Burke, 2014) and the opportunity, as Clarke et al. (2009: 323) claimed about their own participants, "to (re)-author their selves as moral beings."

Our study has shown that being able to cope with the identity challenges wrought by change, by accepting or safely resisting it, is predicated on a sense of agency (Alvesson, 2010; Brown, 2015) that relies on a strong self-concept, within a social and organisational context of support, indifference or opposition (Alvesson & Wilmott, 2002; Collinson, 2003). Since a key aspect of the employment relationship is employee wellbeing (Lo & Lamm, 2005), our view on identity is one lens though which the challenges of change can be more meaningfully negotiated.

Limitations and conclusions

First, our paper has explored the nexus between stressful organisational change, coping and identity through exploring the experiences of 31 participants in one section of the New Zealand public healthcare system. Given the limited scope of our investigation, we are conscious of the need for a range of studies in wider contexts. Second, we did not ask questions about identity; therefore, a study specifically designed to investigate identity during stressful change may extend the depth and breadth of responses. That said, a third limitation is that identity is a concept that seldom enters the lexicon of workplace discourse and its tacit elements, as Carlsen (2016) notes, "challenge the receptive and analytical repertoire of researchers" (p. 107), in dealing with "that

which may be deeply internalized, taken-for-granted, ineffable or otherwise beyond words" (p. 108). Scholarly interpretations of interview statements (or survey items), as indicative of certain types of identity formulations, may be constructed in an entirely different way by the interviewees. As Allard-Poesi and Hollet-Haudeber (2017) assert, the assumed insight and reflexivity of research subjects must be questioned. Additionally, recall of experience is not necessarily accurate (Schreurs, van Emmerik, Günter, & Germeys, 2012) and the psychological wellbeing of an individual at the time of the interview may influence the reconstruction of identity issues that surfaced when the organisational changes took place.

Several key factors need further exploration. For example, how do different coping strategies influence the different forms of identity and self-esteem? Coping with stress has seldom been related to change self-efficacy and there is a difference between coping with stressful work issues and coping with low self-esteem. Additionally, while the ability of people to regulate emotions by hiding their stress has been considered as a helpful coping strategy, there is evidence, from our study and others (e.g. Harkness et al., 2014; Lawrence & Callan, 2011), that for some employees emotional regulation may add to work stress. Further research can elucidate whether escape or avoidance strategies (Folkman et al., 1986; Latack, 1986; Moos & Holahan, 2003) are necessarily counter-productive in terms of maintaining or repairing identity and explore which type of strategies are more likely to restore psychological equilibrium. Finally, given that people have multiple identities (Burke & Stets, 2009; Ramarajan, 2014), the relationships between various forms of identity, personal, role, social and organisational, need further exploration in the context of stressful organisational change.

In organisational practice, the concept of identity may be abstract and arcane from the perspective of the average employee and manager. While the concepts of social and organisational identity may penetrate discussions of teamwork, mergers and organisational culture, the elusive nature of self-identity is not easily reducible to concrete terms in a possible call for greater understanding of its impact on organisational life – and organisational change.

In conclusion, we have contributed to the literatures on employment relations, organisational change, identity and stress by analysing the searing narratives of our participants. We have shown that different forms of identity become salient at different stages of change and that those people facing stressful change need to cope with new expectations, new relationships and threats to identity. The relatively sparse focus on identity in the employment relations literature (e.g. Bluen & Edelstein, 1993; Harrison et al., 2013) opens the way for further research. As stressful change is likely to be an ongoing feature of organisational life, the challenge for employers and union officials is to take into account the complexities of identity to enhance the likelihood of coping effectiveness and positive outcomes for employee wellbeing and commitment to change.

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The 'Danish Models' of labour market regulation and their status after recent changes

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Abstract

When New Zealand commentators lament the low productivity, high inequality, low wage characteristics of the New Zealand labour market there are frequently pointed to the successful 'Danish Model'. These references seldom highlight that there is more than one 'Danish Model' of labour market regulation and that these 'models' have changed over time. For several decades the 'Danish Model' of collective bargaining has been marketed as the cornerstone of Danish labour market regulation in Denmark and since the late 1990s, Danish 'flexicurity' has been praised as an ideal approach for both economic and labour market reasons. This article presents the main characteristics of these 'models' and discusses the impact of recent developments that have influenced key structures and institutions underpinning the 'models'. The main conclusions are, first, that the 'collective bargaining model' is still reasonable intact despite the fact that considerable changes have taken place. Secondly, it is argued that the balance between flexibility and social security in the 'flexicurity model' has changed so much in favour of flexibility that the model should rather be termed flex*in*security.

Keywords: labour market regulations, collective bargaining, 'flexicurity', union membership

Introduction

During the 1980s, one could hear Swedish industrial relations researchers speak proudly about the 'Swedish Model' as a model that was beneficial to the Swedish economy as well as Swedish workers (Hedborg & Meidner, 1984; Elvander, 1988). Likewise, Esping-Andersen (1990) divided the systems of welfare states into three ideal types, and he included all the Nordic countries (and a few others) into what he termed 'universalist' systems where market forces and competition were most modified. However, as the Swedish employers' confederation sought changes to employment relations from late 1980s and the Swedish economy started to experience growth problems in the 1990s, then the 'Danish Model' was promoted by Danish researchers: "The Swedish model seems to be dismantled during these years, whilst the Danish model continues to exist" (Due, Madsen & Jensen, 1993: 14, our translation). In particular, the bipartite collaboration of Danish employer associations and trade unions – with its historical roots in the 'Great Compromise' (*Septemberforliget*) in 1899 – and the web of collective bargaining agreements were seen as both flexible and efficient.

However, Denmark has increasingly become renowned for its so-called 'flexicurity' model (Rasmussen, Foster & Farr, 2016). The content of the flexicurity model goes beyond the bargaining model. As explained below, it comprises a combination of elements from the collective bargaining

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model as well as employment and welfare policies (Bredgaard, Larsen & Madsen, 2007). Both 'models' are based on more or less explicit aspirations that they can function in ways that serve all involved parties well: employers, employees and society. They are also often subsumed under the notion of the 'Danish Model' though they are very different and have experienced different challenges in recent years. We seek, therefore, to highlight the differences between the two 'models' and their changes over time. We also want to investigate whether it still makes sense to talk about these models as Danish employment relations has been strongly influenced by neo-liberal ideas of labour market regulation (Standing, 1999).

In the first part of the article we offer brief presentations of the respective 'models', based mainly on descriptions from the Danish employment relations literature. In the article's second part, we address some of the key trends that have influenced the 'models' in recent decades. We focus on: 1) regulatory initiatives from the European Union (EU), 2) decentralisation of the system of collective bargaining, 3) weakening of trade union density, 4) weakening of the system of unemployment insurance, and 5) changes in employment policies. In the final part, we try to evaluate whether it is still meaningful to talk about these 'models' in light of their ongoing changes and whether the two 'models' are still dominating Danish employment relations.

The Danish models

In this first main section the two Danish models are presented in ideal-typical form. What are their main characteristics?

The bargaining model

In the bargaining model the emphasis is on the great importance of collective bargaining in regulating Danish employment relations. Key features include (Due et al., 1993; Jensen, 2007; Kristiansen, 2014):

- The employer organisations and trade unions themselves determine the rules regulating collective bargaining.
- Various forms of collective agreements dominate labour market regulation. Some issues which, in other countries, are typically regulated through legislation – for instance minimum pay and employment security – are exclusively, or mainly, regulated by collective agreements in Denmark. On the whole, legislation plays a limited role and the laws regulating the Labour Court and the Arbitration Council are framed in ways that mainly serve to support the autonomous regulation undertaken jointly by employer organisations and trade unions.
- For many decades, there has been a high degree of consensus between trade unions, employer organisations and the main political parties that the state should intervene as little as possible through legislation. In areas where there actually is legislation, such as occupational health and safety, the labour market parties have had the opportunity to strongly influence the aim and content of the legislation.
- The strong element of bipartite regulation is supported by relatively high membership rates for trade unions as well as employer organisations. Furthermore, the parties have traditionally been strengthened by the fact that employer organisations and trade unions have not been divided on religious or political grounds. As will be seen below, recent years have seen increased divisions on the trade union side.
- The bargaining model also includes collective agreements that regulate the role of shop stewards and their rights vis-a-vis management as well as a system of cooperation committees that stretches from workplace to company group level. Cooperation is seen by both parties as important for the fulfillment of employer and worker interests alike.

- The right to strike and lock-out is shaped in ways that support the bargaining system. There is a peace obligation as long as a collective agreement is in force, and strikes and lock-outs can only be applied when agreements are being renewed or in connection with attempts to achieve collective agreements in areas not hitherto covered. It is the right to strike and the readiness of trade unions to use this weapon that ultimately guarantees a certain balance in the model between employers and trade unions.

The bargaining model can be traced back to the so-called September compromise from 1899 which marked the end of a long and bitter confrontation between unions and employers. Over the years trust and respect between the parties have built up to an extent that the bargaining model can be said to be anchored to a joint ideology (Dunlop, 1958; Galenson, 1952). Both sides believe that this way of regulating labour market and working life is better than, for instance, a system based on detailed legislation or one that leaves it up to the employers to unilaterally determine the rules of the game. A recent example of this attitude was expressed by the Minister of Employment (a former president of the Employers' Confederation) in an interview about proposed tripartite negotiations: "If we are not able to reach a joint agreement, the Danish model will collapse over time. Then public regulation will take over. One of my goals is to prevent that" (Arnfred, 2015, our translation).

Industrial conflicts have been steadily decreasing during the past 10-15 years, but compared to countries like Sweden and Norway the industrial conflicts in Denmark are relatively frequent and comprehensive, and compared to most other European countries Denmark can be put in a middle or mixed group (Vandaele, 2016).

The public sector is not free of industrial conflicts and violation of collective bargaining rights. A recent example is from 2013, when a 25 day long conflict broke out between the teachers' union and their public sector employers, and the conflict ended up with Government intervention. The Government had just introduced a reform of the primary school which, among other things, included longer teaching hours for teachers. To avoid spending more money – on employing more teachers – the bargaining part on the employer side demanded the abandoning of a working time agreement from 2008, which stipulated working standards for teachers during a standard working week. It was clearly the intention to save money and, thus, finance the Government's education reform. It has been suggested that the Government may have pre-planned the break-down in negotiations and the subsequent intervention (Klarskov & Svane, 2017). If that is the case, it constitutes a clear breach of traditional collective bargaining processes and principles of good faith negotiations.

Another lesson from this conflict is that fragmented bargaining patterns are troublesome for individual unions. In 2013, the teachers' union stood alone, but trade unions in the municipality sector have declared, in 2017, that they will support the teachers' union in the upcoming bargaining round to ensure genuine collective bargaining and re-establish the lost working time agreement. This early declaration of intent from the municipality sector unions is a clear demonstration of the importance they attribute to upholding traditional bargaining processes.

The 'flexicurity model'

'Flexicurity' is a concept that obtained much attention among European Union (EU) policy makers since the late 1990s. Flexicurity has been advocated as an instrument that can further the goals of economic growth and employment growth in an integrated way. The concept connects two concepts, namely 'flexibility' and 'security', and suggests a situation of conditions where companies can employ, deploy and dismiss employees in accordance to their organisational needs (the flexibility

element) and where workers are guaranteed a decent living standard in case of unemployment as well as training that may help them get into a new job (the security part). 'Flexicurity' fitted well into the EU aim of creating a Europe which, at the same time, has an efficient economy and a social model that guarantees citizens and workers a degree of social security and participation, thus, securing a certain balance between financial and social goals and between employer and employee interests.

As researchers began to study different national systems of employment regulation from a flexicurity perspective, they found Denmark to be close to the ideal 'flexicurity' system (Auer, 2000; Ganssmann, 2000), with both flexibility for the companies and a certain level of security for workers. Delegations from the EU and individual EU member states went to Denmark to study the 'model', and many employment researchers, politicians and people from the 'social partners' praised the Danish flexicurity model (Beskæftigelsesministeriet, 2005; Bredgaard et al., 2007).

In brief, the Danish flexicurity model can be said to consist of the bargaining model plus something more, namely employment policies in the form of social security and public initiatives aimed at training and retraining the labour force and activating the unemployed. The following features are central to the Danish flexicurity model. *Firstly*, the bargaining model is shaped in a way that grants companies a relatively high degree of flexibility in relation to how they can utilise labour power. Numerical flexibility (personnel turnover) can be high as collective agreements do not contain strong protections against dismissal: notice periods are short and redundancy payment is almost non-existing. Thus, employers can employ workers without risking high expenses if these workers are later to be dismissed. Temporary flexibility (flexible working time) is allowed according to the sector-level collective agreements that generally stipulate that it is possible to make agreements at workplace level regarding flexible working hours and variations in the length of the working week. And functional flexibility (flexibility in the work situation itself) can be achieved because unions are generally positive towards doing away with, or at least softening, traditional barriers between occupations and jobs as part of workplace collaborations in works councils and at management level.

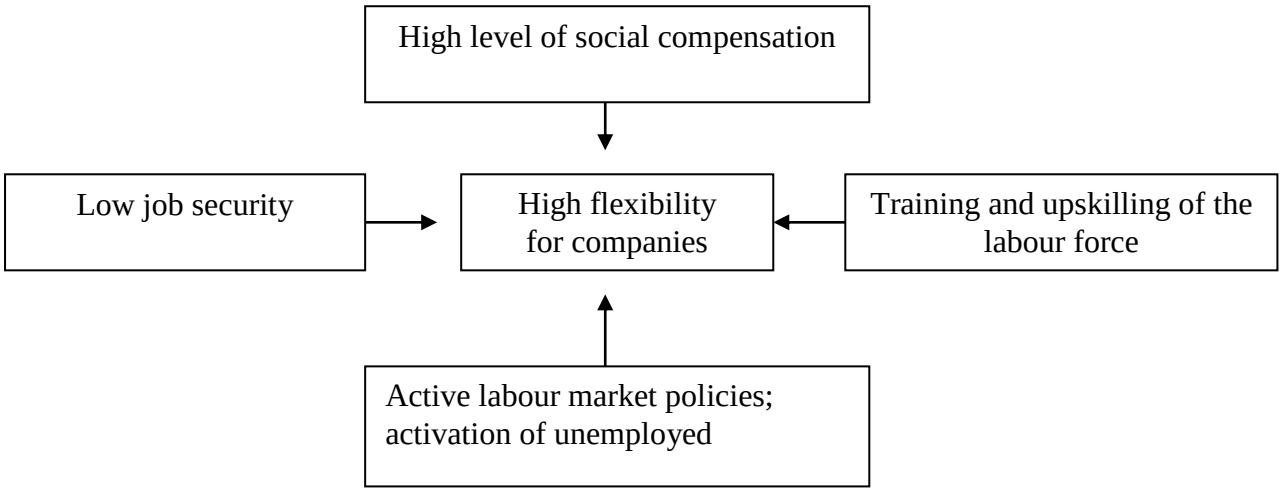
Secondly, government policies also contribute to flexibility. In particular, this occurs through extensive training and employment policies which lead to an ongoing up-skilling and re-skilling of workers, often in collaboration with employers and unions and in line with the staffing needs expressed by companies and employer associations. These active labour market policies provide services to the unemployed so that they are better equipped to get into new jobs, and services to companies so that they can continuously change their mix of employment as new job needs appear.

Thirdly, the welfare state compensates for problems that are often created by the bargaining model and having a highly fluid labour market. The low level of protection against dismissal found in the bargaining model is, to some extent, compensated by the legislation on unemployment benefit, an early retirement scheme, etc. Compared to most other countries, Danish legislation has traditionally secured the unemployed a relatively high and secure income. At the same time, employment policies provide help to job seekers. In other words, the low level of *job* security in the Danish system is compensated by relatively high degrees of *employment* security and *economic* security (see Standing (1999) who distinguishes between a number of different forms of (in)security in relation to working life).

In total, the Danish flexicurity model means that companies have a high degree of flexibility – primarily due to features inherent in the bargaining model, but also due to large social security and vocational training and education expenditures. At the same time, workers enjoy a relatively high degree of socio-economic security. The model grants considerable autonomy to employers, workers

and their respective organisations, while it is the state and the taxpayers that pay for the services provided. Where the 'bargaining model' is at its core, a bipartite model, the 'flexicurity model', in essence is a tripartite model. The state is an important actor, not least in financing the costs of the policies that underpin flexibility, whereas the labour market parties enjoy great influence on the shaping and administration of the rules that regulate working life. The main features of the model are shown in Figure 1.

Figure 1: The flexicurity model



In the next section, we will focus on the question whether the 'models' are still, today, how they have been described in the literature.

Changes affecting the Danish 'models'

Following many years of neo-liberal criticism of generous welfare systems and state interventions in employment relations, frequent doubt as to whether the 'Danish Models' could survive or lose their effectiveness has been raised (Borchost , Caraker, & Jørgensen, 2012; Due & Madsen, 2006; Knudsen & Lind, 2012). In the coming sections, we will deal with certain key developments that have challenged the 'Danish Models' over the last two decades. It will be shown that there have been considerable changes and this makes it necessary to ask: are the 'models' still there and are they still relevant?

We shall here deal with four recent developments, namely: first: the effects of EU membership and EU regulation; second: decentralisation of collective bargaining; third: declining trade union membership; and fourth: the cuts in unemployment benefits and the declining ambitions of employment policies. These are all developments that have changed the nature of exchanges taking place between the parties within the 'models' as well as having had repercussions on the balance of power associated with the 'models'.

The effects of EU membership and EU regulation

In the Danish debate, initiatives taken by the EU have often been regarded as threats to the Danish bargaining model (see Due, Madsen, & Lubanski, 2000). The 'single market' introduced by The Single European Act in 1987 was supplemented by political and economic reforms during the 1990s, where a number of EU Directives targeted employment relations (Keller & Platzer, 2003). The Directives prescribed common market regulation so that the free movement of capital and labour was strengthened. In addition, the Directives attempted to reduce existing national differences in social and employment protection (Hoffmann, Jacobi, Keller, & Weiss, 2003). Although many trade unions and some employer organisations were originally sceptical regarding the market ideals of the EU, a positive development in employment and wages took place from the mid-1990s till the outbreak of the crisis in 2008. It also turned out that fears about the 'Danish Models' were exaggerated. Overall, the EU Directives have yet to reduce employment standards in the Danish labour market and the collective bargaining system has maintained – despite more legislation – its key importance in the regulation of the Danish labour market. However, there have been several important changes as outlined below.

Directives on working time have had significant impact. The Working Time Directive (93/104/EC; now 2003/88/EC) and the Directive on Part-time Work (1997/81/EC) (based on an agreement signed by employer organisations and unions at the European level) have had to be implemented. An attempt by the Danish government, strongly supported by trade unions and employer organisations, to implement these directives through collective agreements, was rejected by the European Commission, as it could not ensure that all Danish employees would be covered. On that basis, the Danish Government backed down and implemented the regulations (Knudsen & Lind, 2012). The Posted Workers Directive (96/71/EC) and The Service Directive (2006/123/EC) have also influenced the trade unions' ability to take industrial action in pursuit of a collective agreement; a central feature of the Danish collective bargaining model.

A more serious challenge to the Danish collective bargaining model are European Court rulings. A 2006 decision on the freedom to organise was the decisive farewell to closed shops in Denmark (Applications 52562/99 and 52620/99, European Court of Human Rights). While many trade unions saw the ruling as a heavy blow to the 'Danish Model' it was estimated that only 200,000 workers were covered by closed shop agreements in 2006. In the European Court of Justice, the Laval case (C-341/05) from 2007 and the related Viking (C-438/05) and Rüffert (C-346/06) cases have had serious implications (Bücker & Warneck, 2010). At the core of the Laval case was the question whether unions in a host country could take industrial action seeking to force an employer employing workers from a different EU member state to sign a collective agreement. The Court demanded that companies should be able to know the expected wage level in an area but this can be difficult in Denmark where there is no minimum wage if there is no collective agreement. To deal with this uncertainty, legislation was passed in Denmark in 2008, where industrial action was legal provided that the foreign employer was informed about the normal level of pay.

It is still too early to evaluate whether the 2008 legislation has solved the issue but, subsequently, there is a growing tendency that foreign companies employ non-Danish workers and their employment arrangements are outside the framework of the Danish collective bargaining model (Hansen & Hansen, 2009). However, the Danish trade unions had a major victory against the notorious anti-union airline Ryanair in 2015. The Danish Labour Court ruled that Danish unions were entitled to take industrial action to seek a collective agreement when Ryanair established hubs in Copenhagen and Billund airports. Ryanair reacted to the decision by moving the hubs to airports in neighbouring countries (Sinander, 2015).

The relatively few reports available on wages and working conditions among migrant workers show that the biggest differences between Danish and migrant workers can be found in foreign companies with posted workers. In general, the migrant workers are paid less than the Danish workers, their working environment is poorer, they work longer hours, the intensity of work is higher and often their living conditions are poor. Further, their union membership rate and collective agreement coverage are much lower (Arnholtz & Hansen, 2011; Hansen & Hansen, 2009; Pedersen & Thomsen, 2011). The proportion of foreign workers was estimated to be about five per cent of the total labour force in 2013, but has increased significantly over the last decade (Schytz Juul, 2013).

Outside a few statutory minima, it is the trade unions' major role to curtail any undermining or violations of collectively agreed norms. However, they are faced with two problems. *First*, union density has declined slightly in recent years (see Table 1) and collective bargaining coverage has been reduced. Still, even a 100 per cent coverage of collective agreements would not solve the problem entirely. Most national collective agreements contain some very flexible elements – not least regarding wages. Some agreements for white-collar workers have no stipulations about wage level at all, and for most workers, pay is negotiated at the individual plant. *Second*, the unions are against legislation being introduced as a solution (Dølvik, 2016; LO, 2011). Thus, there is no support for introducing a statutory minimum wage, though this could be an effective measure to counter treats of cheap foreign labour undercutting Danish wage norms.

So, has the Danish membership of the European Union tended to undermine the Danish collective bargaining model? To some extent, yes. The free movement of labour and the increased competition for jobs in the single European market, as well as problematic pieces of regulation, such as the Laval ruling, has made it more difficult to keep everybody under the umbrella of the collective bargaining model. However, at the same time, the Danish collective bargaining model has appeared rather robust so far and collective bargaining is still norm-setting for most employees working in Denmark.

Decentralisation of collective bargaining

The decentralisation of Danish collective bargaining started in the early 1980s when individual unions and bargaining cartels took over negotiations from the main union confederation, the LO. A similar change took place on the employer side where the member organisations of the employers' main organisation, the DA, conducted the negotiations. Comprehensive organisational changes in the DA during the early 1990s completed these 'decentralised' bargaining structures, and since then, there have been four or five industry agreements in the private sector. The bargaining system in the public sector is divided into three areas: state, regions, and municipalities, with cartels composed of several unions representing the employee side.

Apart from a few company level agreements (mainly in companies that were not members of employer associations), the existing bargaining structure is still based on national coverage but bargaining has been moved from the level of main confederations to individual employer associations or unions (or often a union cartel). A more radical change in the direction of decentralisation started in the early 1990s when wage setting increasingly moved towards the individual workplace. This flexible system now covers around 85 per cent of the agreements with national level wage setting only stipulating minimum wages and wage levels are then supplemented with pay increases negotiated at workplace level.

In the public sector, decentralisation of wage setting was introduced in the late 1980s with the so-called 'local wage' system and further expanded by individualised pay rises in the so-called 'new

wage' agreement in 1998. After a decade of significant scepticism among public sector employees and their unions, these decentralised and individualised wage systems have become the norm and have increased wage differences among public sector employees.

There is no doubt that the decentralisation of wage setting has been a significant tendency during the past 20-25 years, but it is also evident that this decentralisation has not been implemented in a way where wage setting is completely individualised and only decided at the workplace level. This is due to opposition amongst trade unions as well as employer associations since employer associations are interested in controlling the general level of wage rises in order to keep Danish employers internationally competitive. Thus, the present system has been termed 'centralised decentralisation' (Due & Madsen, 2006) or 'coherent fragmentation' (Lind, 2004) to describe that it is an exaggeration to label collective bargaining in Denmark as being decentralised. Compared to many other OECD countries, national collective bargaining is still norm-setting, and employer association and trade unions continue to have considerable influence on workplace negotiations.

Decentralisation of negotiations and workplace wage bargaining have changed the balance of power in favour of employers, particularly since industrial action cannot be taken in respect of workplace negotiations (Kristiansen, 2014). It has yet to change the bipartite character of the collective bargaining model since trade unions still play an important role, in national as well as local bargaining (including avoiding reduction in employment conditions in nearly all agreements). While it has increased the flexibility side of the 'flexicurity model', it has decreased the lack of income security experienced by many workers and created more wage differences across similar types of jobs.

Decreasing membership of trade unions

A key feature of the collective bargaining model is the high trade union density. In the literature, the high union membership rate in Denmark has often been linked to, if not explained by, the important role of the bargaining system (see Due et al., 1993). Undoubtedly, the bargaining system plays a role, but there is strong evidence that suggests that an even more important factor is the close connection between trade unions and unemployment benefit funds. In Denmark, the so-called Ghent system was introduced at an early stage (1907). In this system, unemployment insurance is administered by the unions, which means that unions and unemployment funds historically have been seen by workers as one and the same thing (Lind, 2009). The unemployment funds are in charge of key elements of social security, notably unemployment benefits and the early retirement scheme (in force since the late 1970s). Relatively few countries have systems that are comparable to the Danish system, Finland and Sweden (at least until recently) being the most important ones and, indeed, with affiliation rates similar to the Danish ones.

Unlike in many other western countries where union density fell from the 1980s and more or less has done so ever since, the union affiliation rate actually increased in Denmark until the millennium turn. Since then, especially the unions associated in the LO have experienced a significant loss of members, cf. Table 1. The LO unions' membership peaked in 1996.

Table 1: Members of trade unions in Denmark (000s)

Year	1970	1980	1990	1995	2000	2002	2004	2006	2008	2010	2012	2014
Labour force*	2027	2384	2669	2648	2659	2672	2656	2667	2723	2704	2591	2594
LO	894	1250	1423	1510	1459	1433	1386	1339	1251	1201	1123	1050
FTF	156	277	325	332	350	356	359	363	359	358	353	346
LH (Organisation for Managerial Staff)	-	-	71	75	80	76	76	74	76	83	91	95
AC	-	70	103	132	150	161	165	166	174	137	142	203
Outside LO, FTF, LH, AC	111	197	130	114	123	125	140	172	202	271	344	290
All trade unions	1162	1794	2051	2163	2162	2151	2127	2114	2062	2050	2053	1984
Per cent of labour force	57	75	77	81	81	81	80	79	76	76	79	76

Remarks: *self-employed not included. Note: Danmarks Frie Fagforeninger (The Free Trade Union in Denmark) not included. Engineers left the AC in 2009 and joined again in 2014 (43,000 members in 2009).
Source: Danmarks Statistik

Table 2: The confederations' share of total membership (per cent)

	1970	1980	1990	1995	2000	2002	2004	2006	2008	2010	2012	2014
LO	77	70	69	70	68	66	65	63	61	59	54	53
FTF	13	15	16	15	16	17	17	17	17	17	17	18
LH (Organisation for managerial staff)	-	-	3	3	4	4	4	4	4	4	4	4
AC	-	4	5	6	7	7	8	8	8	7	7	10
Outside LO, FTF, LH, AC	10	11	6	5	5	6	6	8	10	13	18	16

Source: Own calculations. See remarks to Table 1 regarding Engineers' union.

The LO, which is the confederation of unions organising the traditional working class, has lost terrain relatively as well as absolutely. Among the two other traditional confederations, the FTF (salaried employees) has experienced stagnation whereas the AC (employees with a higher education) has increased its membership figures, and also now has a stronger relative position. This appears very clearly after the engineers re-joined the AC in 2014. What is the most conspicuous change, however, is the relatively strong growth of unions that stand outside the three confederations. Most of the unions in this category are so-called yellow unions (although the Union of Engineers was also included from 2009 to 2014 (in Table 2 in 2010 and 2012). Exactly this development must be interpreted as a weakening of the Danish model.

The LO is still by far the most important main organisation, but it has lost more than 400,000 members since the mid-1990s, and the day where the LO will represent less than 50 per cent of organised labour in Denmark is getting close. The LO's membership loss is partly due to changing occupational structures. Fewer people are employed in the industries and trades that typically are basis for LO member unions. Changing occupational structures (more people with higher education) are also the main explanation for the growth among AC-unions.

As noted above, the most remarkable change is an increase in organisations outside the main organisations (LO, FTF and AC). Among these organisations, the Christian Trade Union (*Kristelig Fagforening*) has existed for many decades, whereas others are relatively new on the scene, including a number of organisations organised under an umbrella termed the Professional House (*Det Faglige Hus*). Since 2002, these 'yellow' unions have got close to 150,000 new members – or 'customers' as they call their members. Some of the new members choose these unions for ideological reasons (political, religious), but the main reason is probably financial, since membership fees are relatively low, compared to traditional trade unions. The 'yellow' unions are able to provide certain services, mainly legal assistance, to their individual members. However, they are clearly less powerful than the traditional unions and have only, on rare occasions, managed to be parties to a collective agreement at workplace level. Neither the traditional trade unions grouped in the LO, FTF and AC nor the employer organisations recognise the alternative unions as part of the 'Danish Model'. Still, they constitute a rapidly growing element among Danish union members. They can be seen as the system's 'free riders', as they often enjoy the same pay and working conditions as those of their colleagues who are members of the 'real' unions, those that fight for and sign the collective agreements. There is a limit to how long the Danish collective bargaining model can continue as if nothing has happened, if the growth of 'yellow' unions continues at the expense of the traditional unions.

Part of the explanation of the decreasing affiliation to the traditional unions, and to falling union membership more generally, must be found in developments in the unemployment insurance system. Membership of unemployment funds remained relatively stable at around 2.2 million members till the end of the 1990s but, from 2000 to 2008, unemployment funds lost 120,000 members. After the beginning of the crisis in 2008, the decline was more moderate until 2013, when it accelerated again due to a severe tightening of eligibility (see below). We will now turn to this issue: the political regulation of unemployment and its relationship to the Danish models.

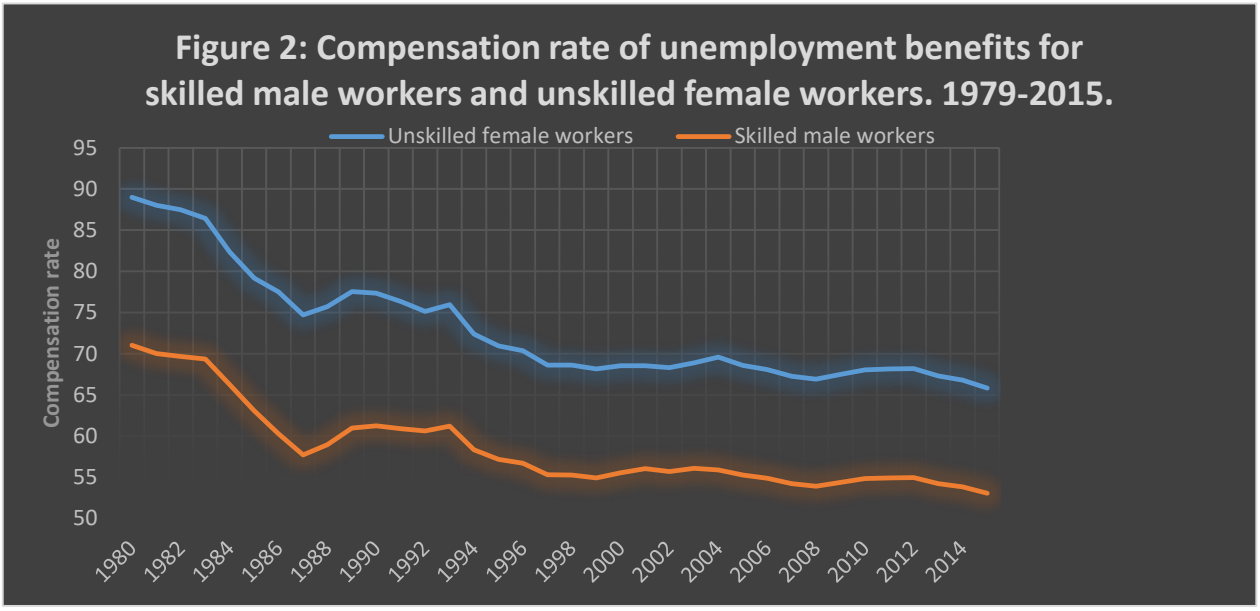
The decline of the unemployment insurance system

As mentioned earlier, the special construction of the unemployment insurance in Denmark (and Sweden and Finland), the Ghent system, is of great importance to trade union membership rates (Lind, 2009). If membership of the unemployment insurance system is made less attractive – as has been the case during the past decades – fewer people will join the insurance system and most likely also the unions.

During the 1960s and 1970s, major reforms of employment policies changed the unemployment insurance system in two important aspects. Firstly, unemployment benefits were raised to 90 per cent of former wages (with a general maximum of 90 per cent of average pay) which meant that low paid workers were compensated by 90 per cent of former wages while higher paid workers had a lower compensation rate. The average compensation rate was, however, around 80 per cent during the 1970s. Secondly, the state financed extra expenses in periods with high unemployment rates (via general taxation) and membership dues contributed less and only financed about 10 per cent of total expenditures. During the 1970s, the coverage of the unemployment insurance system was expanded and came to include more and more groups in the labour market: self-employed, soldiers, part-time employees, and newcomers to the labour market, such as apprentices and students finishing their education. Furthermore, the access to unemployment benefits was widened by longer periods of entitlement and weaker demands and controls on the unemployed.

The more generous approach to unemployment benefits was reversed from the late 1970s onwards. The first access limits were introduced in 1979 and since then, the unemployment insurance has been

made less attractive by numerous cuts and measures aimed at controlling the availability of unemployed to take up vacant jobs. The period for claiming benefits was, in principle, without limits in the early 1980s but has since been reduced several times. In the last change taking effect from 2013, the period to claim unemployment benefits was reduced from four years to two years. From January 2013 to July 2015, 60,000 persons lost their unemployment benefits because of these restrictions in eligibility (AK-Samvirke, 2015). Furthermore, since 1982, the level of unemployment benefits have failed to match wage increases and inflation with the result being that the average compensation rate has dropped from around 80 per cent in the late 1970s to approximately 50 per cent in the current decade (LO 2006; Det Økonomiske Råd, 2014). Figure 2 shows the decline of the compensation rate for skilled male workers and unskilled female workers.

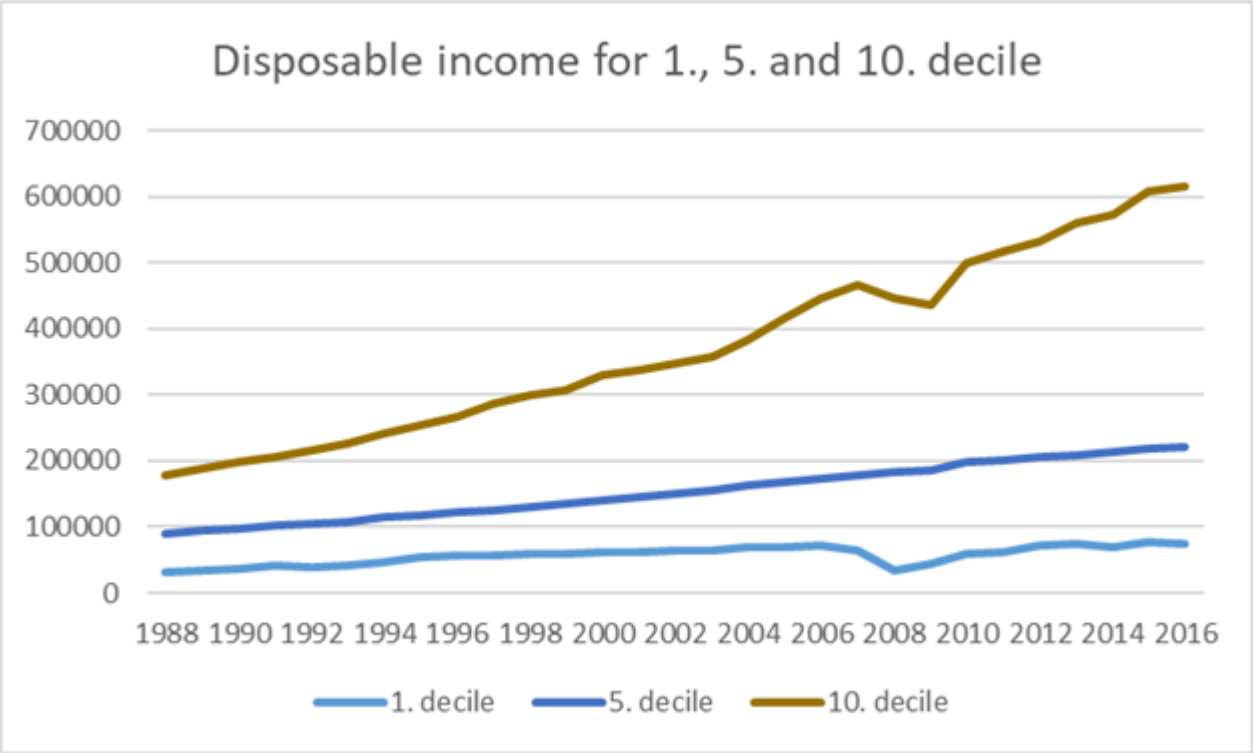


Source: CASA: Social Årsrapport, 2015

Structurally, the traditionally close ties between unions and unemployment funds were weakened by changes introduced shortly after a right-wing government took power in 2001. The conditions that linked unemployment insurance to specific trades, occupations or segments of the labour market were liberalised so that 'cross-occupational' funds were allowed. This made it possible for the so-called 'yellow' unions (all of which are open to workers from all sectors and occupations) to set up unemployment insurance schemes and, thus, make the package they can offer to members more attractive.

Employment policies in Denmark were, for a few decades, characterised by the so-called 'active labour market policy'. It was developed in the 1950s and 1960s on the basis of mainly Swedish ideas (the so-called Rehn-Meidner model; see Hedborg & Meidner, 1984) and was never quite as ambitious in Denmark as in Sweden. It was designed to support general economic policies to strengthen economic growth, combat unemployment and inflation and secure an acceptable level of social justice (redistributive policies). In theory, qualification and geographical imbalances between various segments in the labour market could be reduced by training unemployed people in one segment to qualify them for another segment where demand exceeded supply of labour (and therefore might cause inflation). Or, in case of unemployment in one geographical area, workers would be financially supported to move or commute to an area with excess demand.

Since a labour market reform in 1993, activation of the unemployed has been a main pivot for 'active labour market policies', thus shifting the focus from the demand to the supply side. The rationale of activation measures have increasingly become to discipline the unemployed, so that they are prepared to accept whatever vacant job there might be (Møller, Lind, & Hansen, 2008). In general, the tendencies in unemployment policy during the last 10-15 years have been: a) to reduce the access to unemployment benefits, b) increase activation (job offers, subsidised jobs, short training periods) and c) reduce temporary or permanent withdrawal from the labour market (by abolishing the leave schemes introduced in 1990s, abolishing the early retirement scheme for people between 50-60 years, and making the early retirement scheme (originally for unemployment fund members between 60 and 67) much less attractive). These changes have been introduced with explicit reference to structural problems and 'bottlenecks' in the labour market and the fear of not having the sufficient amount of labour to secure the welfare state in future. Welfare cuts have been legitimised by the necessity to save the welfare state!



Source: Danmarks Statistik, Statistikbanken.

As can be seen from the figure above, the combined effect of the neo-liberal policies since the 1980s – one of them being the cuts in unemployment benefits – has resulted in increasing inequalities in Denmark. The disposable income in the lowest decile has increased by around 50,000 Danish Kroners, the middle decile has increased by 100,000 and the highest decile has increased from around 200,000 to 600,000. The increasing inequality is the cost of a strengthening of market forces and competition combined with a less ambitious welfare policy. While Danish income inequality is still considerably less than that found in most other OECD countries, the trend has clearly been in one direction and there are now concerns whether this growth in income inequality will be continue in the future.

With the cutbacks in unemployment insurance and the deployment of activation policies as a disciplining – and not qualificational – measure for the workers, employment policies have changed

profoundly since the 1970s. The main intention is no longer to compensate workers who have lost their job, but to strengthen the incentives for them to seek a new job, thereby increasing competition in the labour market with the aim of keeping down wage levels. Until the early 1980s, the general interpretation and political understanding of unemployment was that unemployment was due to the malfunction of society. Since then the conviction has spread that unemployment is caused by the individuals themselves. Accordingly, social security provisions shall not compensate for malfunctions of the system, but must be sufficiently low to ensure that the incentives of the individual to take a job are improved. Labour market flexibility is, hence, no longer achieved through social security based upon relatively high unemployment benefits and opportunities for training and education for the next job, but rather flexibility is based upon fear of unemployment and poverty. As a consequence, the Danish type of flexibility is moving away from the 'flexicurity model' and is getting closer to the Anglo-American model; that is, flexibility is predominantly based on employer prerogatives and being less influenced by trade unions and social welfare benefit levels provide a 'real incentive' to take on available jobs and their employment conditions.

Conclusion

The 'Danish Model' of employment relations is renowned amongst OECD countries. However, as shown, there are two 'Danish Models' and these models have faced considerable challenges and changes over time. The changing context and patterns of Danish employment relations – weakening of trade unions, decentralisation of collective bargaining, increased competition in the EU single market, a much less generous system of unemployment insurance and lower ambitions in employment policies – are important challenges. The challenges have had a negative impact on the collective bargaining model where slightly lower union density and the rise in 'yellow' unions are clear danger signals. There have also been power balance changes within mainstream union confederations.

The Danish collective bargaining model is still there. However, its core has changed from a model where two parties with distinct interests communicated continuously with each other and now-and-then agreed to make compromises, to a model in which both sides still communicate with each other but where the gains accruing to labour have become less and less visible. While the 'centralised decentralisation' of collective bargaining has shifted employer-union power balances this article has argued that decentralised bargaining patterns have had a more significant impact on the 'flexicurity model'.

Still, most international union movements can only look in envy on the Danish union density figures and these density figures indicate a considerable resilience of the collective bargaining model. This is also a necessity since there is a very limited legislative safety net for employees outside the coverage of collective bargaining. The trade unions' adversity to support a comprehensive safety net for all employees has been raised in international analyses (eg. Dølvik, 2016) but this adversity provides a strong incentive to join unions and it also aligns with employer animosity towards 'unnecessary' legislation. Likewise, the public sector unions' joint stance in support of genuine collective bargaining for school teachers in 2017 is another indication that collective bargaining rights are seen by the unions as being of vital importance for the survival of the collective bargaining model.

However, the 'flexicurity model' has coped less well with the contextual and political changes. Wages and working conditions are increasingly affected by market forces and less by organised labour. This is partly associated with a less effective collective bargaining coverage and partly with a more globalised and fragmented labour market. In light of the fall-out from the Great Financial

Crisis, the Government has been an active supporter of any development supposed to improve competitiveness for Danish products and services. This has included cuts to welfare state provisions, vocational education and training and employment-supporting mobility measures. These cuts have often been advocated as necessary to save the financial foundation of the Danish welfare state.

Recent changes have undoubtedly increased employer-determined flexibility, but the rise in income inequality indicates the wider negative impact across the workforce. With increase income differences coupled with serious deteriorations in social security, particularly in the unemployment benefit system, the security part of the equation has been reduced considerably. When the dominant elements of the 'flexicurity' employment policies are geared to achieving employer-determined flexibility by fear and insecurity instead of social security networks, then we should rather talk of 'flex*in*security'.

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The New Perils of Being Unsafe

NADIA DABEE*

Case Note: *WorkSafe New Zealand v Budget Plastics (NZ) Ltd*

The recent decision of WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd was the first prosecution to be under the Health and Safety at Work Act (HASWA) 2015. The case was brought in the Palmerston North District Court. The Court said that the sentencing principles in Department of Labour v Hanham & Philp Contractors Ltd were still to be applied under the HASWA 2015, but with higher corresponding bands to set the amount of the fines. However, in a significant departure from previous criminal cases under health and safety laws, the Court indicated that, if the circumstances of the offending are egregious enough, it may be willing to disregard pecuniosity as a factor when setting the amount of the fine. Even if the consequence of the fine spells the death of the business.

Introduction

Poor workplace safety has well-known associated costs: the cost of compensation; the loss of amenity and diminished quality of life for the injured persons and their families, and the cost of lowered productivity and high turnover (Department of Labour and the Accident Compensation Corporation, 2002).

Enter the Health and Safety at Work Act (HASWA) 2015 and an open-minded view of on deterrence by Large J, and the cost of poor workplace safety now includes the possibility of bankruptcy through the imposition of a fine for breaching the duties in the HASWA 2015 (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [51]-[55]).

Facts of the Case

A worker of Budget Plastics Ltd ("Budget") was operating a plastic extrusion machine that had been manufactured in and imported from China. He was feeding plastic pellets into the machine when the bag containing the pellets got caught in the machinery and was dragged into the machine. The worker tripped on the bag and was also dragged into the machine. Another worker noticed the incident as it happened and pushed the emergency stop button. By then, unfortunately, the operator of the extrusion machine had lost four forefingers down to the wrist and half of his index finger (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [6]-[10]).

Large J referred to the relevant safety codes on guarding machinery already in existence and the factsheets and guidelines published by WorkSafe. The fact that the extrusion machine was not guarded, that the minimum safety distance between the operator and the moving parts of

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the machine was not maintained, and that the emergency stop button was not within reach of the operator, all contributed to the accident. The list of sins does not end there. Budget did not have systems for identifying hazards, did not have safe operating procedures for operating the extrusion machine, and did not have proper training plans for operators.

The director of the company also had had little involvement of the safety issues in his company until six weeks before the accident. Six weeks before the accident was when a safety audit of the company had pointed several safety issues. The report following the audit had placed emphasis on the problems with the extrusions machine. The company was in the process of improving its safety processes when the accident occurred (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [11]-[15]).

WorkSafe charged the company under s 48 of the HASWA 2015. Section 48 says that it is an offence for a person who has a duty under subpart 2 or 3 the HASWA 2015 to fail to comply with that duty, and that failure exposes any individual to a risk of death or serious injury. A fine for a PCBU (person conducting a business or undertaking, here Budget is the PCBU) of up to $1.5 million is possible. The judge found Budget guilty of failing to meet its primary duty of care, under s 36 of the HASWA 2015, to ensure, as far as is reasonably practicable, the safety of the injured operator (HASWA 2015, s 36; *WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [2],[18]).

Sentencing Principles

Large J confirmed that the principles in *Department of Labour v Hanham & Philp Contractors Ltd* (HC Christchurch CRI 2008-409-000002, 25 August 2008) were still applicable. Namely that there were three steps to be followed. The first is to assess the amount of reparation, the second is to fix the amount of the fine, and the third is to make an "overall assessment of the proportionality and appropriateness of the total imposition of reparation and the fine".

Assessment of the Reparation

On the facts, the amount of reparation was fixed at $37,500 based on the precedents with similar facts quoted by WorkSafe (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [25]-[26]).

Fixing the Amount of the Fine

The case of *Hanham* had set out "culpability bands" to set the amount of the fine. WorkSafe proposed setting bands at levels almost tenfold to those under *Hanham* to reflect the higher penalties under the HASWA 2015 (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [27]-[30]).

Culpability Band	**Previous Band Boundaries under the Health and Safety in Employment Act 1992**	**New Band Boundaries Proposed by WorkSafe under the Health and Safety at Work Act 2015**
Low culpability	A fine up to $50,000	A fine up to $500,000
Medium culpability	A fine between $50,000 and $100,000	A fine between $500,000 and $1,000,000
High culpability	A fine between $100,000 and $170,000	A fine between $1,000, 000 and $1, 500,000

Table 1: A comparison of the culpability bands under the Health and Safety in Employment Act 1992 and the bands proposed by WorkSafe under the Health and Safety at Work Act 2015.

Budget argued that the starting point for the fine should be set at $200,000, based on Australian authorities. The imposition of maximum penalties has been rejected in Australia. Large J rejected the use of the Australian precedents in setting the amount of the fine. While Parliament may have intended that the courts in New Zealand should be able to draw on Australian jurisprudence, the HASWA 2015 was not enacted with the intention of harmonising our laws with Australia's. Nor was it Parliament's intention to model the HASWA 2015 on the Model Work Health and Safety Act (Cth, Australia) 2011. Indeed, the HASWA 2015 had been modified to suit the New Zealand context (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [31]-[33]).

One major difference between New Zealand and Australia is that New Zealand offers all injured workers full compensation under the Accident Compensation Corporation (ACC) Scheme, while Australia does not have a pure no-fault compensation system. Large J explained that, thus, sentencing occurred on "different 'playing fields'". Section 151 of the HASWA 2015 requires the courts to apply the principles of the Sentencing Act 2002; there is no equivalent provision in the Australian legislation (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [33]-[36]).

While Australia had rejected the imposition of maximum fines, the court was guided by the report of the Independent Taskforce on Workplace Health and Safety (Independent Taskforce on Workplace Health and Safety, 2013, at [390]). The Taskforce had recommended higher penalties with graduated levels of fines depending on the level of offending with the aim of improving compliance. The Court here concluded that the aim of the HASWA 2015 was to improve compliance and that courts in New Zealand should not shy away from imposing the maximum penalties (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [34]-[36]).

The court did shy away, however, from making new sentencing guidelines explaining that this was not the role of the District Court. Nonetheless, a starting point for setting the fine amount had to be set following counsel's submissions. The court considered both aggravating and mitigating factors. The Court ruled that the "culpability factors" in *Hanham* are now largely subsumed into s 151 of the HASWA 2015. The risk of and potential for injury or death and whether death or serious injury could have been reasonably expected to occur are two culpability factors in s 151 of the HASWA 2015.

The District Court set the starting point for the fine as being between $400,000 and $600,00 to reflect the defendant's moderate level of culpability (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [32] -[46]).

Overall Assessment
The safety record of the PCBU, and the degree of departure from the existing standards are aggravating factors (HASWA 2015, s 151 (e), (f)). As explained above, Budget had known of the problems with the extrusion machines and did not have proper hazard management processes and training processes in place. A 25 per cent discount was given for the Budget's guilty plea (*WorkSafe New Zealand v Budget Plastics (New Zealand) Ltd* CRI-2016-054-003694, [2017] NZDC 17395, at [47]).

Both the HASWA 2015 (s 151(g))) and the Sentencing Act 2002 (s 35) require the financial capacity of the offender to be taken into account when setting the fine. Budget submitted, through an affidavit sworn by an accountant, that a fine above $100,000 would cause the business significant difficulties. WorkSafe accepted that evidence but also argued that the law must "bite" and that a fine should not be seen as a "licence fee". WorkSafe also quoted from the Taskforce Report which says that it may be "best… if some firms are put out of business. Profit gained …[by] causing reasonably preventable harm … is ill-gotten gain" (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [47] -[54]).

The Court finally concluded that there was nothing so severe in this case to justify "a departure from the need to impose a fine within the offender's ability to pay". The fine was reduced from the starting point of $275,000, to the maximum that Budget could pay, which is $100,000 (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [55]-[56]).

Costs

Costs of $1,000 were also awarded to WorkSafe. WorkSafe referred, again, to the findings of the Taskforce and noted that cost recovery from a defendant would "strengthen the system", that is, the "system" would not be "supporting" offenders financially. In other words, WorkSafe could recover some of, or all, the cost of running the case in Court. Budget referred to the factors in the case of *Balfour v R* ([2013] NZCA 429) which lists which factors are relevant to determining a 'just and reasonable' award of costs to the prosecution. The relevant factors are: "the nature of the charges; the complexity of the trial; the time spent on the case; the conduct of the parties; the extent of the success of the prosecution; the sentence imposed; the defendant's financial position; and whether the defendant was legally aided" (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [57]-[62]).

Because Budget had pleaded guilty, WorkSafe did not have to prove their case beyond all reasonable doubt. Budget had also been cooperative throughout. Large J also took into account Budget's financial position at set the sum for costs at $1,000 (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [63]-[65]).

Commentary

Overall, one has the impression that this was well researched and well-planned prosecution by WorkSafe.

Did WorkSafe Take the Right Approach?
On the one hand, WorkSafe may have been too conservative. In addition to a prosecution under s 48 of the HASWA 2015, it could have considered a prosecution for reckless conduct under s 47 of HASWA 2015. Budget had been aware that there was a fault with the machine but had not yet fixed the problems and had allowed a worker to operate the machine before ensuring the machine could be operated safely. Large J clearly stated that the "incident as foreseeable" (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [45).

One can only speculate as to why a prosecution under s 47 was not brought. The evidential difficulty of proving recklessness and causation beyond all reasonable doubt may have been a barrier. A prosecution under s 48 only requires the prosecution proving, beyond all reasonable doubt, that a breach of duty created a risk of death or serious injury. Certainly, one can imagine that the guilty plea and co-operative attitude of the defendant in this case would have been favourable to them. Further orders could also have been sought. The court has the power to issue training orders (s 158, HASWA 2015) and adverse publicity orders (s 153, HASWA 2015).

The director had failed in his due diligence duties. He did hot have awareness of or involvement in health and safety until six weeks before the accident. He had not ensured that the company had proper processes to ensure the safety of workers while at work. This is a breach of sections 44(4)(a),(b) and (c). Nonetheless, at the time of the accident, he had carried out a safety audit and was making changes to improve processes (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [14(f)]). Again, one can only speculate as to why the director was not prosecuted. Perhaps, prosecuting a director who is in the process of ensuring his company is in compliance would have sent shock waves of panic throughout the country?

On the other hand, WorkSafe may have been too aggressive in its approach. Budget was a company clearly trying to improve its OHS. An enforceable undertaking (ss 123- 129, HASWA 2015) would have had the benefit of putting the company on notice that it had done wrong, with the benefit of the $100,000 being spent on improving OHS rather than on paying a fine. Reparation could still have been paid the injured worker. Budget, after all, has put forward evidence that was accepted by WorkSafe that it has limited resources.

In the end, balancing punishment for wrong-doing with the need to educate duty-holders to ensure compliance is not easy. To be able to make the right decision in every case would require divining powers. Overall, in this particular case, a prosecution of the PCBU under s 48 of the HASWA 2015 seems a fair and balanced approach.

Sentencing Principles
The sentencing principles and the culpability principles under *Hanham* continue to apply until an appellate Court chooses to overturn the case. But the amounts of the fines are likely to be higher under the HASWA 2015 as the HASWA 2015 allows for higher fines to be imposed.

Was the court right in setting the fine at $100,000?
For the company, this was the worst possible outcome in terms of a fine as that was the maximum they could afford to pay. Does this mean that courts will impose the highest amount a company can pay, rather than lowering the "bands" to reflect the ability of the company to pay? For example, in Budget's case, the bands could have been lowered thus. A band of $100,000 to $150,000 for serious offending, even if that means possibly bankrupting the company. A possible $50,000 to $100,000 for medium-level offending and, a possible fine of less than $50,000 for low-level offending.

It seems very unlikely that the bands will be shifted in relation to the PCBU's financial position. Even though this means that the same fine will punish a smaller business more severely than a bigger one. A bigger, richer corporation could more easily afford even a $ 275,000 fine (which was the starting point of the fine in this case). This is not in line with trying to get away from the fine being just a "licence fee" that companies can pay for being unsafe (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [51]).

Was the court right in saying fines could be imposed that could potentially bankrupt businesses?
The court's reasoning is correct if we accept the Taskforce's argument that it is best that some firms be put out of business if they are chronically unsafe (Independent Taskforce on Workplace Health and Safety, 2013, at [389]). The threat of being put out of business by a fine for egregious breaches of the HASWA 2015 should act as a strong deterrent to encourage companies to comply.

Although the Court said that such a fine would only be imposed when the breach is egregious (*WorkSafe New Zealand v Budget Plastics (New Zealand)* Ltd CRI-2016-054-003694, [2017] NZDC 17395, at [55]), this decision means that directors now have to consider the safety of their company's operation as a factor that could possibly lead to the company's bankruptcy. If a director knows that there is a possibility that an unaffordable fine could be imposed on the company because of poor safety standards, then the director could be guilty of reckless trading under s 135 of the Companies act 1993, if the director allows the company to carry on operating with poor safety standards.

Conclusion

The principles under the Health and Safety in Employment Act 1992 continue to be applicable but will be refined to be in line with the HASWA 2015. The District Court in this case referred constantly to the findings by the Taskforce, so it may well be well worth it for Counsel to be familiar with the Taskforce Report.

This case sends a strong message that WorkSafe will not hesitate to prosecute, but will do so in a measured way. The Courts will impose the maximum fine they possibly can give the offender's level of offending and their financial means. But they will not refrain from imposing the highest fine possible in egregious cases, even if it means the business going bankrupt as a result of the fine.

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