Leadership and Communication in Change Negotiations: Effects on Employee Experience

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Abstract

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Organizations in Finland regularly employing a minimum of twenty employees are subject to the Co-operation Act. Under the Act, the employer must negotiate changes affecting the employees with them in advance. This discussion is called change negotiations.

In many cases the change negotiations culminate in staff reductions. While attention is often directed towards the ones who lose their jobs due to financial and production-related issues, the employees retaining their positions amidst organizational restructurings are also impacted.

The objective of this thesis was to illustrate the leadership, change management and communication aspects necessary during change negotiations and layoff periods to optimize the Employee Experience of the employees remaining in the organization.

The approach of this research-oriented constructive thesis was qualitative research. The data was collected with semi-structured interviews. The interviewees were individuals who have experienced change negotiations leading to layoffs but remained with the organizations post-negotiations.

The research results show that leadership, change management, and communication has a significant impact on the Employee Experience of the remaining employees. During and after change negotiations aspects like dialogue, proactive communication, transparency, emotional support, and a well-managed departure of laid off employees supports the Employee Experience positively. When these aspects are demonstrated it results in positive experiences, like trust, acceptance, sense of stability, commitment to change, and a sense of direction.

During and after change negotiations aspects like lack of dialogue, dishonesty, distant leadership, inconsistency, and inadequately managed departure of laid off employees impacts the Employee Experience negatively. When these aspects are demonstrated it results in negative experiences like distrust, stress, resentment, and burnout.

The impacts of change negotiations include decreased motivation, efficiency, and trust. It also negatively affects the team dynamics and organizational culture and decreases employees long-term career aspirations in the organization.

The concrete outcome of the thesis is a list of ten aspects organizations must consider before initiating change negotiations, aimed at safeguarding the Employee Experience for those remaining within the organization.

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1   Introduction

The outbreak of the Covid-19 pandemic in early 2020 triggered a notable increase in change nego-tiations. In 2020 230.000 Finnish employees were subject to started change negotiations, showing a big contrast to previous years; change negotiations were experienced in 2019 by 130.000 em-ployees and in 2018 by 25.000 employees (SAK 2020). Despite the passage of time, the pace of change negotiations in Finland has not decreased, suggesting a sustained trend even into 2023. Particularly within the software industry, a significant decline in demand has sparked numerous change negotiations since the winter 2022 (Tolvanen 12 October 2023). For example, in October 2023 Futurice initiated change negotiations impacting 420 employees (Niemi 5 October 2023). The negotiations did not lead to any termination of employment, but 82 employees were subject to tem-porary layoffs (Niemi 25 October 2023).

In the current landscape, it is critical for leaders to recognize the elemental value of fostering a positive Employee Experience within their organizations. In the middle of inevitable crises and dis-ruptions, the employees remain the cornerstone for continued success. Particularly during times of crisis, employers must prioritize supporting their employees and retaining top talent.

Every achievement in an organization has its roots in an individual or a group of people. This means that organizational success does not originate from spreadsheets, slogans, or technology; it starts and ends with employees. Employee Experience is about creating an environment that in-spires the employees to do remarkable things. (Maylett & Wride 2017, introduction.) Prioritizing a positive Employee Experience is also a competitive advantage for organizations, linked to higher productivity and better business outcomes such as higher return on investment. (TechTarget 2023.)

In many cases the change negotiations culminate in staff reductions. While attention is often di-rected towards the ones who lose their jobs due to financial and production-related issues, the em-ployees retaining their positions amidst organizational restructurings are also impacted.

The objective of this thesis is to illustrate the leadership, change management, and communication aspects necessary during change negotiations and layoff periods to optimize the Employee Experi-ence. Although the perspective of employees facing termination remains crucial, this research pri-oritizes the wellbeing of retained personnel, essential for sustaining short-term business continuity.

The key to fostering a positive Employee Experience does not lie solely in offering universally ap-pealing rewards. Employee Experience is a result of whether the employer meets the employee's expectations and how the benefits are experienced. (Maylett & Wride 2017, chapter 1). The

findings of this research hold significance for organizations striving to enhance employee commitment also during challenging circumstances. By researching employee expectations regarding leadership, change management, and communication during and after change negotiations, as well as the impact of these factors on motivation and efficiency, this study aims to provide actionable insights for organizational leaders.

Research conducted by HRM Partners in 2014 and 2009 reveals a tendency within Finnish organizations to underestimate the impact of change negotiations and layoffs. While most of the organizations perceive their change negotiation processes as successful, only a mere 20% of the employees affected share this sentiment. Furthermore, the research indicates that 67% of the organizations experienced an impaired atmosphere among the employees remaining in the organization following layoffs, and in 40% of the organizations, an increase in turnover was observed after the conclusion of the change negotiations. (Kurtén & Waaralinna 2015, 17-18.)

The focus of this thesis is personally significant for me, as I have had firsthand experience in several change negotiations, both as an employee and as a representative for the organization. Through these experiences, I have come to realize that the most significant crisis does not lie in the negotiations themselves, but rather in the management of leadership and communication during these negotiation periods. Leaders must learn how to navigate crises such as change negotiations to ensure that the organization retains control over the outcome.

The worst scenario arises when, following negotiations and layoffs, the organization additionally loses its top talent due to unsuccessful leadership and communication. If this research can empower even one organization with the motivation and practical tools to effectively manage leadership and communication in a way that affects the Employee Experience positively during challenging times, its contribution to the greater good is worthwhile.

1.1 Objectives, research questions and scope

The objective of this research-oriented thesis is to study how leadership, change management and communication during and after change negotiations impact the Employee Experience for those who remain with the organization following the negotiations.

This thesis has not been assigned by a client but is conducted in the name of general interest as impartial research through interviews. As an output, the thesis will generate insights of actions organizations should consider regarding leadership, change management and communication before announcing change negotiations to employees.

To address how leadership, change management and communication during and after change negotiations affect the Employee Experience of the remaining employees, the following questions will be researched:

Q1: How does the Finnish law impact leadership and communication practices during change negotiations?

Q2: What leadership, change management and communication factors impact the Employee Experience during change negotiations?

Q3: What leadership, change management and communication factors impact the Employee Experience after change negotiations?

Q4: How does change negotiations impact the employees who remain with the organization after the change negotiations?

Change negotiations are legislated by the Co-Operation Act. The Act mandates employers to negotiate changes affecting the employees with them in advance. The purpose of the Act is to improve the employees' opportunities to influence their work, working conditions and position through mutual understanding. (Digital and Population Data Services Agency 2021.) Therefore, research question one must be answered before delving into the voluntary leadership, change management and communication aspects in research questions two, three and four. By acknowledging the legal aspects, the thesis seeks to provide a comprehensive understanding of the complexities surrounding the implementation of effective leadership and communication strategies in the context of change negotiations.

Table 1. Cover matrix.

Research question	Theory (chapter)	Findings (chapter)	Interview questions
Q1: How does the Finnish law impact leadership and communication practices during change negotiations?	2	N/A	N/A
Q2: What leadership, change management and communication factors impact the Employee Experience during change negotiations?	3 4	6.1	4 5 6

Research question	Theory (chapter)	Findings (chapter)	Interview questions
Q3: What leadership, change management and communication factors impact the Employee Experience after change negotiations?	3 4	6.2	4 5 6
Q4: How does change negotiations impact the employees who remain with the organization after the change negotiations?	3 4	6.3	5

Leadership, change management, communication, Employee Experience, and change negotiations are important, interesting, and broad phenomena - there are unlimited possibilities to research these subjects, so the scope must be narrowed. The scope of this thesis includes employees who remain with organizations post-negotiations, excluding those who have been laid off. However, the scope only includes employees of organizations where the change negotiations have led to termination of employments. The rationale behind studying employees who remained in the organization is the desire to delve into the organizational continuity aspect and aiming to offer insights into how change negotiations affect organizational resilience and employee perceptions. By concentrating on retained employees the study also seeks to unravel the nuanced impacts of the change negotiations, while avoiding potential biases that could, very understandably, arise from resentment towards the organizations due to the termination of the employment.

Also, the scope is limited to employees of medium-sized or larger private sector organizations in Finland governed by the Co-operation Act (1333/2021).

While the thesis focuses on leadership, change management and communication during change negotiations, it acknowledges the complexity of human experiences and understands that various factors may influence Employee Experience. However, ultimately, the employee's subjective feelings are what determines the Employee Experience.

1.2   Structure of the Thesis

The thesis consists of seven main chapters. The chapters can be broadly categorized into four areas: background, theoretical framework, empirical process and findings, and conclusions, as illustrated in Figure 1.
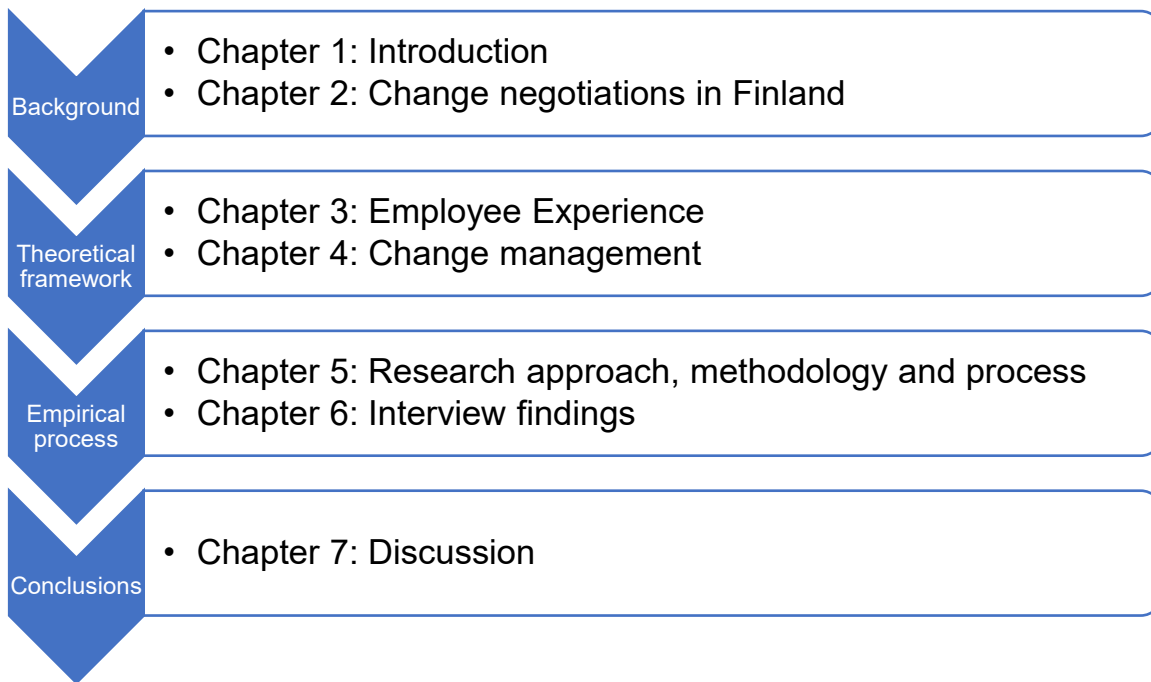
Figure 1. Structure of the Thesis

The first chapter serves as an introduction to the thesis, outlining its topic and defining the scope and research questions. Chapter two presents the background of change negotiations and layoffs, emphasizing the importance of understanding the legal aspects, which heavily influence these negotiations.

Chapters three and four provide the theoretical framework, exploring concepts related to Employee Experience and change management. Chapter five outlines the research approach, methodology and process, while chapter six presents the findings obtained from interviews conducted as part of the research process.

The seventh and final chapter serves as the concluding section, compiling the results into a discussion and concluding remarks.

2   Change negotiations in Finland

There are several legislative requirements regarding change negotiations in Finland, and it is important to describe those before delving into the voluntarily organizational practices. This chapter aims to provide an overview of these legal aspects to emphasize that leadership and communication during change negotiations are influenced not only by organizational decisions but also by statutory factors. By understanding the legislative framework, we can appreciate that the Employee Experience during the change negotiations is influenced by multiple factors, where some are beyond the organization's control.

Organizations in Finland regularly employing a minimum of twenty employees are subject to the Co-operation Act. The Act mandates employers to negotiate changes affecting the employees with them in advance. The purpose of the Act is to improve the organization's operations and the employees' opportunities to influence their work, working conditions and position in mutual understanding. (Digital and Population Data Services Agency 2021.)

> The employer is obliged to initiate change negotiations when considering the dismissal, lay-off, reduction to part-time employment or unilateral modification of an essential term in the employment contract of one or more employees for financial or production-related grounds. The obligation to negotiate on changes also includes significant changes in duties, working methods or arrangements related to work, work premises or regular working hours falling within the scope of the employer's power of management, when these are caused by: 1) the closure of the undertaking or corporation or any part thereof, its transfer to another location, or the expansion or reduction of its operations; 2) acquisitions of machinery and equipment or the introduction of new technology; 3) changes in the organization or arrangements of work; 4) changes in service production or the product range; 5) the introduction of external labor or changes in its use; or 6) other changes comparable to those referred to in paragraphs 1–5. The obligation to enter into negotiations on matters referred to in subsection 1 does not apply to an employer that has been declared bankrupt or is in liquidation, or to the parties to the decedent's estate of a natural person who are considering terminating a contract of employment as provided in chapter 7, section 8, subsection 2 of the Employment Contracts Act. (Co-operation Act 1333/2021.)

2.1   The New Co-operation Act

The Act on Co-operation within Undertakings underwent renewal in the beginning of 2022, marking the third iteration of Finnish legislation governing cooperation between employers and employees. The name of the new act is simply the Co-operation Act. (Paanetoja & Salminen 2023, 1.)

The renewal process began in 2015 with an investigation into local agreements, leading to establishing in December 2018 a tripartite working committee to evaluate if the existing Act on Co-operation adequately addressed the current and future needs of the workforce. The interim report of this working committee was made public in June 2019. Based on the findings outlined in the report, the government submitted a proposal for a new Act on Co-operation within Undertakings (HE 159/2021 vp.) to the parliament. The new Co-operation Act (1333/2021, YTL) came into effect on

January 1, 2022. At the same occurrence, the old Act on Co-operation within Undertakings from 2007 (334/2007, VYTL) and the Act on Employee Representation in Corporate Governance (725/1990, Hallintoedustuslaki) were repealed. (Engblom & Lehto 2022, 13).

The aim of the new Co-operation Act is to improve the interaction between organizations and employees, providing a framework for the development of organizations and work communities (Paanetoja & Salminen 2023, 3). The new Co-operation Act consists of three main components: constant dialogue, change negotiations and administrative representation. The aspect of constant dialogue is a new addition and replaces chapters 3-5 of the old Act on Co-operation within Undertakings. (Engblom & Lehto 2022, 13).

> The purpose of this Act is to promote a workplace culture of co-operation between employer and personnel, with each party respecting the rights and obligations and taking into account the interests of the other. It is also the purpose of this Act to ensure continuous development of the undertaking's operations and the workplace community, and to improve efficiency and well-being at work. Furthermore, the Act aims to ensure the sufficient and timely flow of information between employer and personnel and to safeguard the personnel's possibility to influence decisions made by the undertaking relating to their work, working conditions or position in the undertaking. The purpose is also to enhance co-operation between the employer, personnel, and employment authorities to improve the position of the employees as well as support their employment in the event of changes in the operations of the undertaking. (Co-operation Act 1333/2021.)

Several regulations in the new Co-operation Act are based on directives from the European Union. These include Directive 2002/14/EC of the European parliament and of the Council establishing a general framework for informing and consulting employees in the European Community, Council Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies, and Council Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses. (Paanetoja & Salminen 2023, 6-7.)

The Co-operation Act (1333/2021) applies exclusively to the private sector. The Finnish state and their bureaus follow the State Co-operation Act (1233/2013), and the Wellbeing Service Counties and communes operate under their own Co-operation Act (449/2007). The Evangelical Lutheran and Orthodox churches are not following any Co-operation Act, but the co-operation is based on the employment contract. (Paanetoja & Salminen 2023, 1-2). Corporations still follow the Act on Co-operation within Finnish and Community-wide Groups of Undertakings (335/2007) (Paanetoja & Salminen 2023, 2).

The new Co-operation Act places a strong emphasis on fostering genuine cooperation between employers and employees, striving to facilitate deeper interaction between the two parties. It advocates for the inclusion of employees in discussions and decision-making processes in an early stage, even in areas where the organization holds legal decision-making authority. However, it is

important to note that while the act encourages and guides employers to cultivate positive interaction with employees, it does not legally mandate them to do so. (Paanetoja & Salminen 2023, 4.)

Furthermore, the Act highlights that cooperation should not begin in response to the need for change negotiations, but rather be an ongoing process within organizations. This continuous approach offers employees sustained opportunities to influence decisions that affect them. (Paanetoja & Salminen 2023, 4.)

2.2   Change negotiations

Before an organization makes decisions mentioned in Section 16 in the Co-Operation Act, the organization needs to discuss and negotiate with the employees about the planned decisions and their grounds, effects, and options. (Paanetoja & Salminen 2023, 126.) This discussion is called change negotiations.

The processes and procedures of change negotiations in the new Co-operation Act are largely similar to those in the previous legislation. The biggest difference is that the initiation of the change negotiations is specifically regulated. A significant addition is also the provision allowing employee representatives to submit written proposals and alternative solutions for discussion during change negotiations. (Paanetoja & Salminen 2023, 126-127.)

Change negotiations may impact various aspects of employment, including work duties, working methods, arrangements of work, and working hours (Digital and Population Data Services Agency 2021). The negotiations may also result in employee layoffs on financial or production-related grounds, that are typically defined by specific monetary savings or performance efficiency goals. If layoffs are within the scope of the change negotiations the organization is required to involve Finnish TE Office latest when the negotiations begin. If the organization must give notice to employees on financial and production-related grounds, the TE Office will help the employer to promote the employment of the affected employees. (Digital and Population Data Services Agency 2021; Paanetoja & Salminen, 2023, p. 127.)

The timing of the negotiations is regulated in Section 17 in the Co-Operation (Paanetoja & Salminen 2023, 126). The employer is required to provide employees with five days' notice before the start of change negotiations, particularly if the proposal involves dismissals, layoffs, or reductions in regular working hours (Digital and Population Data Services Agency, 2022). The written negotiation proposal provided by the organization must include essential details such as the time and location of the negotiations, along with a primary proposal outlining the topics to be addressed in the negotiations. When these measures concern at least ten employees, the organization must in writing provide the representants of the employers' justification of the intended measures,

preliminary estimate of the number of redundancies, explanation of the principles according to which those to be laid off are determined and estimate of the time when the dismissals will be implemented. (Co-operation Act 1333/2021.)

Unless otherwise agreed, change negotiations must continue for at least six weeks if the proposed measures affect ten or more employees. The negotiating period is however always 14 days in organizations employing between 20 and 29 individuals. (Digital and Population Data Services Agency 2022.) Figure 2 illustrates the timeline of change negotiations: the negotiation proposal is handed in five days before the change negotiations start. After that the negotiations are conducted in two to six weeks. When the employer reveals the decision the notice period of 14 days to six months start, leading to implementation of measures. (Paanetoja & Salminen 2023, 127.)

1	2	3	4	5
NEGOTIATION PROPOSAL	NEGOTIATIONS	EMPLOYER'S DECISION	NOTICE PERIOD	MEASURES ARE IMPLEMENTED
Five days	14 days - 6 weeks		14 days - 6 months	
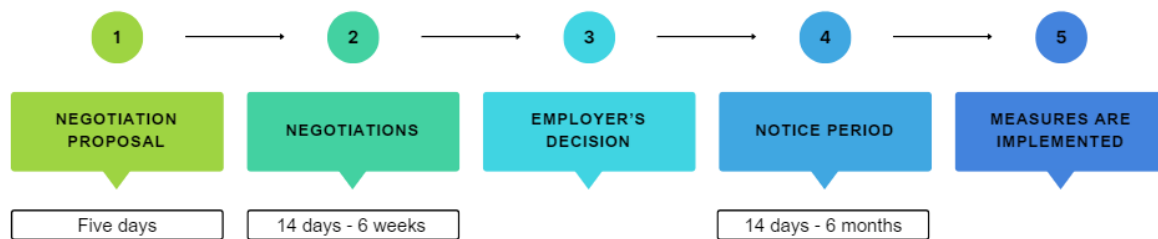
Figure 2. The timeline of change negotiations (Adaptive from Paanetoja & Salminen 2023, 127)

As outlined in Section 20 of the Co-operation Act, change negotiations are to be conducted collaboratively between the organization and its employees with the aim of reaching consensus. This entails the organization's obligation to consider proposals from employees, respond to their inquiries, and address their information requests. During change negotiations, discussions must cover the justifications, impacts, and alternatives of proposed measures. If any termination of employment contracts is under consideration, the organization must explore alternative solutions through dialogue. However, it is important to note, that even though employees are entitled to receive information they need to negotiate, decisions cannot be finalized during this period of dialogue. Therefore, the organization cannot provide details regarding individuals affected by potential layoffs or the ultimate outcome until negotiations conclude. Furthermore, the organization is prohibited, as per Section 40 of the Co-operation Act, from disclosing confidential information, including personal details about individual employees. (Hietala & Kaivanto 2022, chapter 7.)

Prior to initiating termination of employment, organizations must evaluate potential natural attrition, such as retirement, and establish criteria for selecting employees for layoff. The typical prioritizing guideline is that retention of valuable employees is prioritized, while the employees with weak performance are first to be under consideration for terminations of employment. It is crucial for employees remaining in the organization after terminations to have competent colleagues in their roles. This ensures that they can navigate through the crisis with a manageable workload and maintain operational effectiveness. (Viitala 2021, chapter 3.)

The parties in change negotiations are regulated in Section 18 in the Co-Operation Act (Paanetoja & Salminen 2023, 126). The parties are the employer and the employees. Both parties can use a representative in the negotiations. Large organizations can handle change negotiations in a joint committee for the employer and the representatives of employees. (Digital and Population Data Services Agency 2021.)

In change negotiations, the employer can be represented by designated representatives or the Human Resources leader. (Digital and Population Data Services Agency 2021). However, the Co-operation Act does not specify the employer's representative. Consequently, the employer has the flexibility to select any individual as their representative, with the choice potentially varying depending on the specific case. The key requirement is that the chosen representative possesses the authority to act on behalf of the employer in matters governed by the Act. (Engblom & Lehto, 2022, chapter 2).

In change negotiations, employee representatives are primarily union representatives chosen in accordance with the Collective Agreement mandated by the Collective Agreements Act (436/1946, TehtoL) (Engblom & Lehto 2022, chapter 2). If there are several departments and locations in the organization with their own union representatives a Chief Union Representative is elected, who represent all employees (Minilex s.a.).

Union representatives bear various responsibilities, including monitoring compliance with collective agreements and labor laws, negotiating with the employer on behalf of employees, and fostering the development of the workplace community (PAM 2024.) Typically, the union representative represents only employees that are union members. However, in change negotiations they may also represent non-union employees. The status of the union representatives is determined through mutual agreements between employers and employee organizations. (Minilex s.a.)

In instances where employees lack a union representative, a trust representative may be appointed. If the majority of employees are ineligible to participate in the union representative election because they are not members of the union that negotiated the applicable collective agreement,

they retain the right to designate a cooperation representative from within their ranks. (Engblom & Lehto 2022, chapter 2.)

Should the employees fail to select any representative, the employer must fulfill its cooperation obligation by engaging directly with all the employees. Additionally, employees may collaborate in suitable groups, such as ones organized by location. (Engblom & Lehto 2022, chapter 2.)

Change negotiations are one of the most severe changes affecting employees, and this chapter outlined the legislative aspect to the change. The following chapter present how this change affect the Employee Experience, and chapter three focus on change management, presenting actions organizations must take navigating the change.

3   Employee Experience

This chapter will introduce the concept of Employee Experience and describe what impact change negotiations have on the Employee Experience of the employees remaining in the organization. The next chapter will describe the concept of change management and focus on what organizations must do during and after the change negotiations to ensure the Employee Experience stays as good as possible.

Employee Experience can be described as a sum of all emotions every interaction withing the organization awakens (Maylett & Wride 2017, 26). It explains how employees feel about their job, work environment, and the organization they work for. It includes concrete aspects like salary and flexibility, but also emphasizes less tangible aspects like company culture. (Ohlson 25 April 2024.)

Change negotiations and layoffs affect the Employee Experience of those remaining in the organization. However, a 2018 study by RiseSmart in the United States revealed that only a minority of organizations have strategies in place to support employees who stay on after layoffs. The most common challenges faced by these remaining employees include diminished motivation and confidence, a sense of voicelessness or fear of speaking up, and anxiety about the future. (RiseSmart 2018.)

A study by Culture Amp analyzed tech layoffs occurring between March 2020 and November 2022. It found that in organizations where layoffs occurred, future employee commitment decreased by 13.6%, present commitment by 13.5%, recommendations by 11.1%, motivation by 9.3%, and pride by 8.4%. (Culture Amp 2024.)

For an employee to regain full productivity after a layoff crisis, the timeline varies: 13% within a month, 49% within a quarter, 30% within half a year, and 8% within a year or longer. Furthermore, 70% of organizations report a negative impact on talent acquisition post-layoffs, with 81% experiencing a negative effect on their brand. (RiseSmart 2018.) Additionally, research published in the Academy of Management Journal in 2018 revealed that layoffs affecting just 1% of the workforce were associated with a significant 31% increase in turnover. (Harvard Business Review 2008.)

In organizations where layoffs have mostly affected the senior employees who have faithfully served the organization for years, it has had a profound effect on the retained employees. For the remaining employees this signal, that the reward for loyalty is to be reduced when one is older and more unlikely to find a new comparable job. Loyalty is important, so the risk of the employees to look for a new employer increase. (Di Frances 2002, 72.)

3.1   Employee Experience definitions and models

Employee Experience, also called EX, refers to the employee's perception of the organization in which they work. The Employee Experience encompasses the entire employee journey and includes factors like workspace, culture, and technology. (Maylett & Wride 2017, 26; TechTarget 2023.)

Anything that sets the employees up for success or improves the culture should be considered a part of Employee Experience. The performance of any business is fundamentally linked to its individuals. Therefore, the organization must create an environment where the employees are empowered to succeed. (Johnston December 2021, min. 3-4.; Maylett & Wride 2017, introduction; Yohn January 2018.)

Human Resources plays a significant role in shaping key interactions within Employee Experience, including recruiting, onboarding, and performance management. However, Employee Experience is not a new term for Human Resources, but extends beyond Human Resources encompassing interactions typically overseen by other departments such as facilities, corporate communications, and IT. This highlights the multidisciplinary nature of Employee Experience, requiring various facets of the organization to collaborate in crafting a comprehensive and seamless employee journey. (Yohn January 2018)

There are various definitions of Employee Experience, with some of them outlined in table 2.

Table 2. Employee Experience definitions

Definition	Models	By whom
Employee Experience is the sum of perceptions employees have about their interactions with the organization in which they work.	MAGIC: Five Keys to Unlock the Power of Employee Engagement.	Tracy Maylett and Matthew Wride (2017, 26).
Employee Experience examines the employee's perspective, the organization's perspective, and their intersection. From the employee's viewpoint, Employee Experience reflects the reality of working in the organization.	Employee Experience pyramid. Employee Experience environments.	Jacob Morgan (2017, 6-8).
Employee Experience is the employee's holistic perception of the relationship with their employer, developed by all the encounters along the employee's journey.	Employee Experience Design process.	Josh Plaskoff (2017, 137).
The sum of all the perceptions the employee has when working in the organization.	N/A	David K Johnston (December 2021, min. 1-4).

Definition	Models	By whom
EX should aim to create an environment where employees have the possibility to success.		
Employee Experience is about making work better for employees and making employees better at work.	N/A	Rupert Darbyshire (2021).
Employee Experience is the journey employees takes with the organization; every interaction that happens along the employee life cycle, plus the experiences that involve an employee's role, workspace, manager, and wellbeing.	N/A	Gallupp s.a.
Employee Experience is how employees feel about their job, work environment, and organization they work for. It includes aspects like pay, benefits, flexibility, and time off, but also emphasizes company culture.	N/A	Sarah Olson (2024).
Employee Experience is anything that sets the employees up for success or improves the organizational culture.	N/A	Mark Levy (2018).

3.1.1   Evolution of employment

In 2017, Morgan conceptualized Employee Experience (EX) as the fourth phase in the progression of employment, following the utility, productivity, and engagement eras. The utility era was marked by a straightforward exchange: employers provided jobs to fulfill certain tasks and employees needed the income. The focus was on necessities as salary and tools to fulfill the work. Subsequently, the productivity era emphasized optimizing work processes for efficiency, often overlooking employee fulfillment. (Morgan 2017, 3-5.)

The engagement era shifted the focus to understanding and benefiting employees, recognizing the link between engagement and productivity. The center of attention changed from how the organization can benefit from the employee as much as possible to understanding how the employees work and what the organization can do to benefit them. (Morgan 2017, 5-6.)

The current era, Employee Experience, examines the employee's perspective, the organization's perspective, and their intersection. From the employee's viewpoint, Employee Experience reflects the reality of working in the organization. For the organization, Employee Experience is what is designed for employees, or in other words, what the organization believes the employee reality should be like. Ideally, the overlap between these perspectives signifies successful Employee

Experience, where organizational design aligns with employee expectations. Hence, Employee Experience can be understood as the meeting point of employee expectations, needs, and organizational design, as illustrated in figure 3. (Morgan 2017, 6-8.)
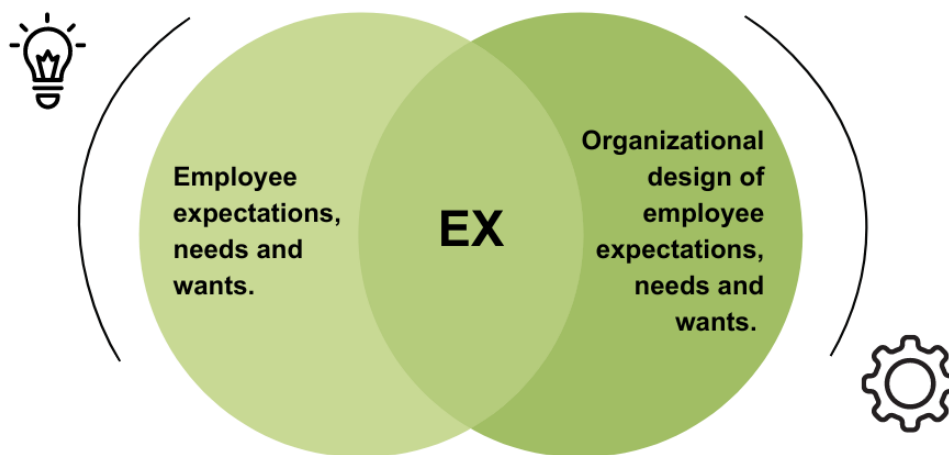
Figure 3. Employee Experience Design (Morgan 2017, 8)

3.1.2 Employee Experience pyramid and Employee Experience environments

Morgan outlines the concept of Employee Experience as a pyramid composed of four interconnected layers, as visualized in figure 4. To optimize the Employee Experience, organizations must effectively address all layers. The foundational tier, termed "Reason for Being", defines the organization's purpose, forming connections between employees and the organization. The second tier encompasses the technological, physical, and cultural environments, each playing a pivotal role in shaping the overall Employee Experience. (Morgan 2017, 209-211).

Within the third tier lie the 17 variables constituting the Employee Experience, classified as COOL spaces, ACE technology, and CELEBRATED culture. These variables include diverse aspects such as flexibility, compensation, training, and tools, significantly influencing the overall Employee Experience. At the top of the pyramid rests "moments that matter," emphasizing the

personalization of Employee Experiences by integrating the 17 variables into key moments of an employee's journey whenever feasible. (Morgan 2017, 211.)

Figure 4. The Employee Experience Pyramid (Adaptive from Morgan 2017, 10)

In his research for his book The Employee Experience Advantage, Morgan interviewed business executives and leaders to gain insights into the significance of Employee Experience within organizations. He observed a recurring pattern of three influential environments, technological, physical, and cultural, that profoundly influence the Employee Experience. (Morgan 2017, 11-12.)

Of the three influential environments, the cultural environment constitutes 40% of the Employee Experience, and encompasses the overall atmosphere and actions fostering employee sentiments. The ten attributes of the culture include positive company perception, employee valuation, shared purpose, teamwork, diversity, learning opportunities, fair treatment, coaching leadership, and employee wellbeing focus. (Morgan 2017, 89.)

3.1.3   Employee Engagement

Employee Experience and employee engagement differ in their scope and focus. Employee Experience encompasses the entirety of what an employee perceives, feels, and encounters within the organization, while employee engagement relates specifically to how positively an employee is involved in or committed to their job. Employee engagement is the result of the Employee Experience, and therefore an important term for this thesis where the impact of Employee Experience is studied. (TechTarget 2023.) Many organizations focus solely on the outcomes of annual employee engagement surveys, neglecting the proactive design and management of Employee Experience to enhance engagement effectively. (Yohn January 2018)

Employee engagement cannot be forced with arcade games and pilates classes. Engagement grows organically from culture, purposeful work, respect, and trust. The leader should promote meaning, autonomy, and other cultural aspects in the organization, but a leader cannot control whether these seeds of engagement grow into engagement. (Maylett, Wride & Patterson 2017, 14.)

3.2   Business value of Employee Experience

Maylett and Wride describes the significance of Employee Experience by stating "Every important business outcome lies downstream from the experience and engagement of the people who make the organization go." (Maylett & Wride 2017, introduction.)

Employee Experience is not just a tool to keep talent in the organization, but a solid business case. IBM found that the employee engagement explained two thirds of their client experience scores. The data showed that by increasing customer satisfaction by five points for an account it led to approximately 20% more revenue for that account. IBM therefore decided to involve the employees in designing the model for a great Employee Experience. (Burrell 2018, 54).

Great Employee Experience leads to higher employee engagement. The relationship between employee engagement and organizational performance is well-documented. Engaged employees contribute to multiple different organizational success components, as illustrated in figure 5: increased productivity, lower turnover, higher profitability, enhanced workplace safety, innovation, high quality of work, customer satisfaction, stock price, revenue, increased diversity, sustainable development, growth, overall satisfaction, and positive employer brand. The more an organization invests in employees, the more of these business values it will see. (Morgan 2017, 164; Sulaiman, Abdullah, & Man 2023, 238-241; TechTarget 2023.)
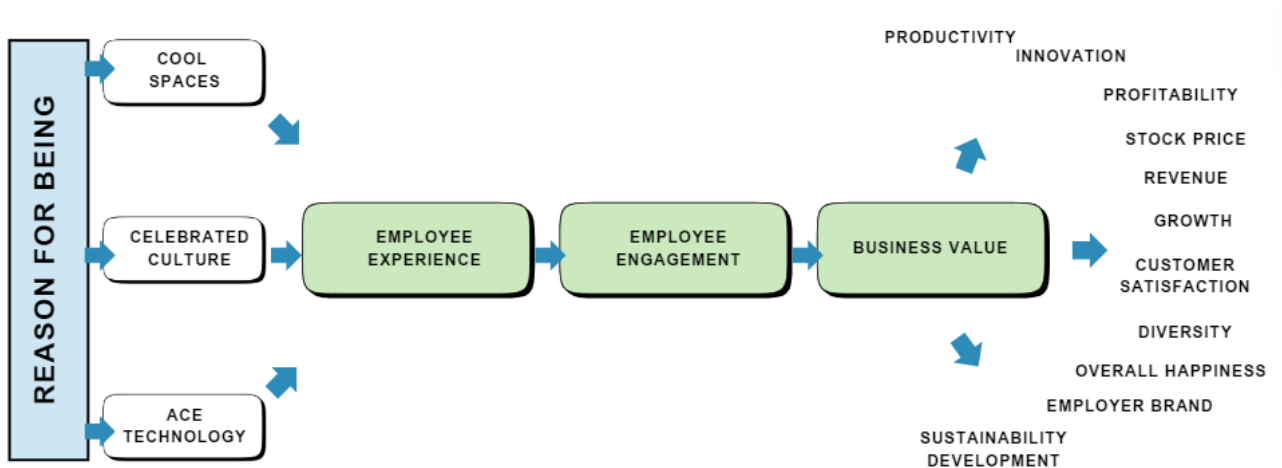
Figure 5. Employee Experience business outcomes (Adaptive from Morgan 2017, 164)

Studies consistently demonstrate a direct correlation between employee and customer experiences. Organizations with positive Employee Experiences, reflected in high research scores and rankings in top workplaces, also demonstrate high customer experience scores and positive revenue growth. (TechTarget 2023.) To create a sustainable and exceptional Customer Experience, an organization must first create a sustainable and exceptional Employee Experience. (Maylett, Wride & Patterson 2017, 24-26.)

In opposite, disengaged employees can incur significant costs for companies due to decreased productivity and increased absences, amounting to billions of dollars annually. (TechTarget 2023.)

3.3 Shaping the Employee Experience

Employee Experience is a massive whole that consists of multiple steps during the whole employment journey, including everything from onboarding experience to salary and recognition. (TechTarget 2023.) As the focus of this thesis is on how leadership, change management, and communication impact the Employee Experience during and after change negotiations, this chapter will mainly introduce shaping the Employee Experience from those perspectives.

In chapter four change management will be described and simultaneously the actions organizations must take concerning leadership and communication during and after change negotiations to ensure as good Employee Experience as possible during the change.

Employee Experience must consider the employee holistically from multiple perspectives: cognitively, emotionally, socially, politically, economically, and physically. Design thinking encourages to strengthen this by studying the employee's whole journey with the organization, examining both the

internal and external touchpoints. The Employee Experience path starts when the employee starts to consider seeking a new position and starts researching potential employers. The path does not end when the employment ends but can continue in different forms of relationships as well as re-employment. The important thing organizations must understand is the impact of the feelings and thoughts of the employee during each of the phases, and how it influences the experience. (Plaskoff 2017, 138-139.) Overall, the ideal organization is one that can be described with the term healthy organization, which refers to organizations where the environment for the employees is safe and promotes wellbeing, and simultaneously the organization is efficient and profitable. (Vesterinen, 2006, 29.)

Well-defined and effectively communicated values serve as the cornerstone of organizational culture and are pivotal in crafting the Employee Experience. Values provide direction and clarity on how to effectively engage with both internal and external stakeholders, guiding everyday decision-making processes. It is essential for the organization to integrate these values into every aspect of the Employee Experience, starting from the recruitment process, continuing through onboarding, and extending to ongoing employee leadership and communication practices. (Green 2017, chapter 2.)

It is interesting to note, that most of the cultural aspects that are crucial for the Employee Experience does not cost a thing. The only attribute presented in figure 6 that is not free is employee wellbeing which can be implemented already with minimal costs. The rest of the important attributes can be improved without any additional costs: sense of purpose, fair treatment, being part of a team, feeling valued, and inclusion. (Morgan 2017, 167-168.)

Figure 6. Free or minimal cost cultural attributes that impact the Employee Experience (Adaptive from Morgan 2017, 168)

The answer to a positive Employee Experience is not to offer benefits that are believed to be universally tempting. Employee Experience is a result of whether the employer meets the employee's expectations and how the benefits are experienced. (Maylett & Wride 2017, chapter 1). Therefore, it is important to understand the role expectations have in forming the Employee Experience. When organizations articulate promises regarding culture, values, brand, compensation, and financial stability, they establish expectations. All the organizational leadership and communication actions set expectations, whether it is a newsletter or a concrete action of a leader. Employees rely on these expectations as a framework for planning their future, expecting alignment between anticipated outcomes and reality. (Maylett & Wride 2017, chapter 2.)

The concept of expectation gap describes the difference between created expectations and their perceived fulfillment. This gap exists always to varying degrees. However, it is good to understand

that the expectations are also influenced by others than the organization directly; external factors, such as discussions with colleagues, exposure to business news, adherence to internal policies, and engagement with customers, can also influence expectations, potentially widening the expectation gap. (Maylett & Wride 2017, chapter 2.)

3.3.1 The role of leadership in shaping the Employee Experience

Leadership forms the foundation of employee wellbeing and positive Employee Experience. Only motivated, skilled, and mentally healthy individuals can achieve their best performance, and these attributes are fostered through encouraging leadership. Leaders cultivate environments that support employee wellbeing, engagement, and productivity by offering clarity, reliability, purpose, respect, empathy, and a sense of psychological security. They play a crucial role in shaping organizational culture and directly impact the overall Employee Experience. (Juuti & Vuorela 2015, introduction; Ward 2024.)

One central part of Employee Experience is trust towards the organization and its leadership. Although change negotiations and layoffs typically erode trust, the way an organization handles the process can either exacerbate or mitigate this effect. Research show, that despite 80% of employees acknowledging the negative impact of layoffs on trust, only 55% felt that their organizations layoff procedures damaged trust. This underscores the importance of reengaging the remaining workforce following a layoff. (Kitterman July 2023.)

One important aspect to Employee Experience both in the normal setting and in crisis like change negotiations is psychological safety, that enables employees to take risks and express themselves without fear of reprisal. Leaders who foster open dialogue and respect diverse opinions create environments of psychological safety leading to employee wellbeing and productivity. (Ward 2024.) Google's research about high performing teams shows that psychological safety is the most significant feature of successful teams (Brown 2022, 53).

Feelings of being fair and equally treated by leaders has a central role in Employee Experience. Equity theory describes perceived justice and fairness. It explains that employees evaluate the equity between their work input and the reward they receive for that work against the perceived inputs and rewards of other employees. When employees feel these are unequal, for example, that they are working harder than her peer for less pay, they may become demotivated and agitated. The equity theory suggests that in situations where this occurs, the employee seeks to restore equity by changing their beliefs, working less, or demanding more pay, or by leaving the organization. (Maylett & Wride 2017, chapter 2.)

Furthermore, feeling of being equally treated is highly connected to how leadership address bad behavior among employees. Values are the guidelines on how to work successfully with others in the organization. (Green 2017, chapter 2.) Therefore, a manager must interfere when employees do not act according to what has been commonly agreed in the organization. In addition to the Employee Experience aspect there is a legislative one; according to the Occupational Safety and Health Act leaders and managers are legally responsible to intervene if harassment or inappropriate behavior is occurring in the workplace as soon as they are made aware of the problems. (Salminen 2017, 276; Vesterinen 2006, 84.)

3.3.2 The role of communication in shaping the Employee Experience

The organization is the people. If the organization want to achieve performance, loyalty, low turnover, and passion for excellence among the employees, communication must be approached as dealing with individuals with different desires, backgrounds, dreams, and knowledge brought together for a common purpose. (Maylett & Wride 2017, chapter 2.)

Employee Experience is closely intertwined with effective communication, facilitating employees' sense of involvement and commitment. Through communication, employees share their perspectives, understand organizational happenings, and perceive managerial dedication. (Sulaiman, Abdullah, & Man 2023, 238-241.)

The cornerstone of nurturing positive Employee Experience is cultivating a culture of transparent communication. This entails cherishing openness, honesty, and empathy throughout all phases of employment. (Laker June 2023.)

How organizations manage the communication during change negotiations and layoffs has a profound impact on the Employee Experience. To foster a positive relationship with employees amidst change negotiations, it is crucial for employers to prioritize clear, honest, and timely communication. By treating employees with dignity and understanding, organization can mitigate adverse effects and uphold a favorable image. (Laker June 2023.)

Employee communication plays a vital role in business operations and shaping the Employee Experience. Effective employee communication, characterized by attributes like transparency and consistency, is associated with improved organizational performance, encompassing both financial and non-financial aspects. Communication reflects the management's ability to cultivate relationships across all levels of the organization. Despite extensive research on the correlation between effective employee communication and organizational success, the direct link between communication and financial outcomes remains unclear. However, in times of crisis, organizations must prioritize communication to maintain non-financial performance, including reputation and trust. The

connection between employee communication, employee engagement, and organizational performance is illustrated in figure 7. (Sulaiman, Abdullah, & Man 2023, 236-238.)
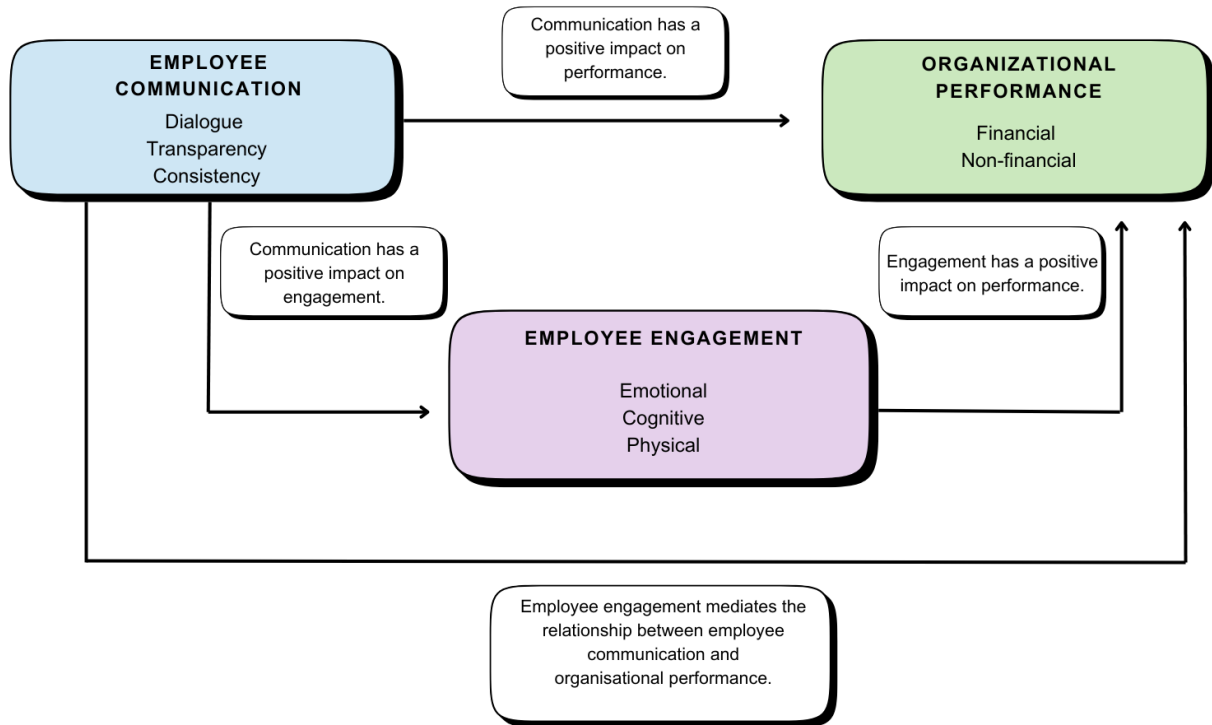
Figure 7. Conceptual model of employee communication, organizational performance, and employee engagement (Adaptive from Sulaiman, Abdullah, & Man 2023, 243)

Research from the McKinsey Institute shows employees who feel they are included in the organizational communication report an increased productivity five times more likely than their peers. The report The State of Business Communication from 2023 conducted by Harris Poll shows that 72% of leaders believe that effective employee communication has increased their team's productivity, and 52% of the employees agree. Additionally, studies show the highlighted importance of dialogue in organizations: acting on employee feedback increases trust in the workplace by 75%. (Cake.com 2024.)

Furthermore, 34% of employees says poor communication decrease their overall Employee Experience, and 50% have reported that poor communication increases their stress levels at work. (Cake.com 2024.)

In conclusion, this chapter outlined the concept of Employee Experience and highlighted the significance of leadership and communication in shaping it. Key leadership and communication elements identified as pivotal in shaping the Employee Experience include encouragement, clarity, reliability, purpose, mutual respect, empathy, fostering psychological safety, trust, dialogue, equality, transparency, honesty, timeliness, comprehension, and maintaining consistency. The next chapter will describe change management and what organizations need to focus on amidst change negotiations to effectively manage the Employee Experience.

4   Change Management

Change negotiations inevitably lead to change for the employees of the affected organization. Building upon the foundation laid in the previous chapter, which introduced the concept of Employee Experience and elucidated the impact of leadership and communication, this chapter delves into the importance and essential components of change management during periods of change negotiations and layoffs. It outlines what organizations need to contemplate to navigate these transitions effectively. While chapter two concentrated on legislative aspects of change negotiations, this chapter presents voluntary aspects organizations shall consider.

While change management and Employee Experience as concepts have certain overlaps, Employee Experience is more holistic and focused, as the name indicates, on the subjective experience of the employee. Conversely, change management centers on the organization's processes, tools, and actions.

The contemporary landscape of labor faces profound shifts driven by two major forces: automation and intensified global competition. In response, many organizations have been compelled to reassess their workforce strategies, often resorting to disruptive measures such as episodic restructuring and routine layoffs. However, these conventional approaches tend to detrimentally impact both employee engagement and company profitability over the long term. (Sucher & Gupta May/June 2018.)

Organizational change triggers outcomes at different levels, typically categorized as work-related and individual outcomes. Work-related outcomes encompass organizational commitment, job satisfaction, turnover, intention to leave, and job performance, while individual outcomes focus on subjective wellbeing, including mental and physical health. When change negotiations and layoffs occur, both employees leaving and employees staying in the organization are affected, with employees experiencing negative consequences such as lower performance, job security, attachment, and higher intentions to quit. Health deterioration has been observed among employees staying in the organization post-layoffs, possibly due to changes in working conditions, social relations, and health behaviors. However, factors also mentioned in the previous chapter about Employee Experience, like a supportive atmosphere, trustworthy management, and employee involvement in the change process can mitigate these negative effects and improve the wellbeing of those affected. (Holten, Hancock, & Bøllingtoft 2020, 395.)

Organizations are facing a paradox: change is more and more difficult to predict and yet organizations must react to them at a faster pace (Vesterinen 2006, 123). Change management includes methods to prepare, support and facilitate successful implementation of changes in the

organization. Well planned and executed change management supports minimizing resistance, optimizing employee engagement, and ensuring the organizational change goals are reached. (Mattey August 2023.)

A study by Holten, Hancock, & Bøllingtoft (2020, 402-404) highlights the importance of both leadership and change management in driving positive change experiences and outcomes for employees in settings of change negotiations and layoffs. The people responsible for implementing the change should focus on implementing change fairly, demonstrating change management skills, and effectively communicating the reasons for change implementation. They should also engage in change leadership by ensuring clarity and sufficiency of information, fostering employee involvement and influence, and providing supervisory support.

4.1 Definition of organizational change

Change is always individual because organizations have different characteristics. The challengingness of the change depends on numerous aspects, for example is the change a high-level, strategic, or cultural change, how big the change need is, and what kind of culture the organization embraces. (Erämetsä 2003, 151-152.) Organizational change is also viewed very differently depending on the point of view they are studied from: the executive leadership, middle-management, or employees. (Juuti & Virtanen 2009, 7.)

Changes in organizations can be divided into three basic types: gradual change, radical change, and merger-fission. Gradual change means a change which background is influenced by a quality management model, for example the TQM (Total Quality Management) model or Lean Six Sigma models. As the name suggests, the gradual happens little by little and progresses steadily. Radical change, on the other hand, includes the idea of business restructuring models, in which the organization's processes are modified in the direction of more efficient and productive operations. A merger-fission type change is a change in which the organization ceases to exist, and operations are continued partially or completely by one or more new organizations. (Mattila 2007, 15-16.) Change negotiations are often the reaction to a need for either radical or a merger-fission related change.

Change happens in three phases. The first phase is the one of abandonment of the past and present, understanding it has had it purpose which it has served well, but now there is time for something new. The second phase is the chaos phase filled with uncertainty, acceptance of the uncertainty, and feelings of guilt. The third phase is the new beginning with clear and consistent actions, success, and consideration and evaluation. (Rauramo 2013, 13.) The organization must understand and commit to all the steps needed for change; preparation, support measures, and evaluation and monitoring. (Rauramo 2012, 95.)

The elements of change are intellectual understanding, emotional engagement, and sustainable and action. For people to understand the change, the most important aspect is explaining the need of the change and justifying it to the employees. (Rauramo 2012, 96.)

4.2 Change management and change negotiations

When an organization must lay off personnel, it must think about how to act as responsibly as possible. The measure of success in change negotiations is the employees' feeling that they have been treated well. This positive sentiment stems from various factors, including feeling heard, receiving adequate information, and being supported in career transitions when necessary. (Saranen 2020.)

Mutual trust is a solid building block in times of change. This trust hinges on shared values and established norms, with decisions respected until revised. Within the organization, trust is nurtured by factors like employee-manager relationship, equality, consistency, transparent communication, adherence to regulations, conflict resolution skills, job significance, and support systems like occupational healthcare. (Rauramo 2013, 11).

Change affects the employees and might create feelings of overwhelm or fear of the future, leading to resisting the change. For the organization to be able to address the resistance successfully, it must understand the source of the resistance. Typical reasons causing resistance are fear of the unknown, lack of trust in leadership, and concerns about job security. (Mattey August 2023.)

Respectful treatment in all situations is an immensely important aspect of challenging transitions. If terminations are reached in the change negotiation process, managers are faced with difficult choices that may seem unjust to some. However, everyone should be treated with dignity. Despite emotional and other challenges, people must always be handled in the best possible manner. (Saksi 25 October 2020.)

Organizations should have a plan in place for change negotiations even before there is a need for layoffs. Saranen (2020), an organization specialized in supporting change settings like change negotiations and layoffs, mentions there are numerous aspects organizations can consider and plan in advance, like solutions offered for laid off employees, communication, and cooperation strategy between stakeholders. An important factor is also the strategic planning of workforce management to ensure the continuity of the business operations (Mattey August 2023).

When an organization is preparing for change, it should anticipate the quality, effects, and the schedule of the change as well as possible. It is also necessary to plan and resource the support activities, the related division of tasks and communication. (Rauramo 2012, 96.) The main topics to

cover when planning the communication in a crisis like change negotiations are what is communicated and in which order, which channels are used for the communication and the different approaches to each, and who is reacting to questions rising. (Kuulu 2020.)

4.2.1 Leadership and change

The world is full of surprises organizations must adapt to. However, leadership can also in these settings aim to lead employees to feel hopeful about the future. (Vesterinen 2006, 112.) For change to be successful it requires wellbeing individuals, which requires good leadership. With supportive leadership the organization can create a good atmosphere which leads to wellbeing which leads to better results. (Vesterinen 2006, 131.)

Most of the aspects affecting an organization's success can be influenced by good or bad leadership. This also concerns change situations like change negotiations and layoffs. When an organization is hit by a crisis it is the responsibility of the leaders to step into the center of the proceedings, show the way, and have courage to act. (Salminen 2017, 275-276.) The leaders of the organization are the faces of change. It is the manager's responsibility to make decisions and implement the change. Organizational change requires a designated person one can turn to. The leadership representative or designated change leader must take this role. (Työterveyslaitos s.a.)

Amid crisis and change the leader has the responsibility to acknowledge the chaos but not spread it, and to forward information without exaggerating or falsifying it. When the organization is in a period characterized by deep uncertainty, it is important that the leader does not deny the uncertainty but affirms that it is the reality of the current situation. The leaders must verbalize to the employees that they will tell them as much information as possible always when possible. Leaders must also be available in the crisis and be present so they can correct any speculations or alternative worst-case scenarios the employees make up. (Brown 2022, 126-127.) The most effective way to stir up uncertainty and spread rumors during a change is the increased absence of the organization's most important communicators. Absence of leaders and managers signals evasion of responsibility and fear of confrontation and creates a feeling amongst employees that the leaders do not care about them. (Mattila 2007, 184-185.)

Leadership does not rely on heroic or highly visible actions. Trust is earned through consistency in small gestures and situations that might seem insignificant; the leader paying attention, listening, and doing things that show genuine care and belonging. (Brown 2022, 49.) Leadership qualities needed amidst crisis is vision, expertise, reliability, communication and interaction and presentation skills. Even though leaders should be in the center of the change, they need an expert communication team or crisis team around them. However, this does not eliminate the need for leaders'

own communication skills, which must be brilliant. If management's nonverbal communication is inconsistent with the verbal message, trust cannot be built. Empathy, care, and warmth improve the delivery of the message and increase the humanity of the leaders and the entity they represent. (Kuulu 2020.)

As mentioned in chapter three, empathetic leadership, characterized by understanding and responding to employees' feelings, is crucial for creating a positive Employee Experience. Active listening and genuine interest build trust and rapport with employees. One important responsibility of the leaders is to normalize putting fear and uncertainty into words. Leaders must find the courage to face the employees and admit that the situation is hard, there are no easy answers, and the pain and fear is real, but the organization and its people will get through it in a way they can be proud of afterwards. (Brown 2022, 127; Ward 2024.)

Trust is key in change management. For leaders to maintain trust between management and employees successfully during and after change negotiations, they must, according to Organizational Psychologist Inka Ikonen, focus on three aspects: openness and honesty, involvement of employees in the negotiations, and dialogue. (Duunitori 2023) For trust to arise, the leaders' words and actions must match each other. To build a trustful relationship with the employees, managers must be present in everyday life, ensure that the plans and goals are realistic, listen, discuss, inform, only promise things they can deliver, immediately communicate change and justify it, take responsibility of the onboarding and job guidance, develop information processes and meeting practices, be fair, authentic and honest, give feedback, catch problems early, strive for a negotiation situation where all parties feel successful, consider the interests of those who are not present, listen and empathize, recognize one's own limits, be ready to cooperate, dare to make decisions even when they do not please everyone, and admit one's mistakes. (Rauramo 2013, 11-12.)

The direct manager plays a crucial and strategic role in the change negotiation process, especially when termination of employment contracts is in scope. The managers possess valuable insights into the competencies required for team processes and tasks, as well as the ability to assess the competence and performance of team members. Additionally, they are responsible for handling the practical aspects of layoffs, as well as reorganizing and planning work post-negotiations. The success of the direct manager in these tasks directly impacts the speed at which the work community recovers from the crisis, affecting both employee wellbeing and operational continuity. (Viitala 2021, chapter 3.) It is good to note that a direct manager often has many other stakeholders and other obligations they need to consider in addition to their subordinates, such as their own manager, the organization, and common processes. (Åberg 2006, 64.) Therefore, even though the

direct manager has a very important part in the Employee Experience, they cannot control all the leadership factors.

Organizations must also understand how challenging the change situation can be also for the direct managers themselves, who face the change from three different perspectives: personal experience of the change, understanding and helping the team members with the emotions change awakens in them, and as the representative for the organization and its future success. The manager simultaneously deals with his or her own stress and fears and is expected to be able to carry the stress and fears of others. (Vesterinen 2006, 132.) The senior leaders of the organization must ensure direct managers have the support they need both from their own manager and Human Resources (Työterveyslaitos s.a.). It is important to offer the managers support in both practical aspects such as information on change negotiations process and legislative aspects and coaching them to handle difficult conversations and support them in their personal coping by offering them emotional support. Since the topic of change negotiations is both delicate and strongly legislated, the managers cannot discuss it openly with their coworkers or friends, which increases the mental burden, and highlights the need of emotional support from the organization. (Saranen 2020.)

In many cases the change is communicated from the senior leadership to the managers only a short moment before the information is shared with the rest of the organization, putting the managers in a difficult communicational situation. The direct manager must be ready to answer their employees' questions right after the first official briefing and be able to accept different emotional reactions in the right way. (Työterveyslaitos s.a.)

Leadership must in addition to the change negotiation period take responsibility for the time after the change negotiations have ended. An important part of change management in change negotiations and layoffs is planning and managing the exit of the laid off employees. Organizations must understand that the exit of the laid off employees also affect the Employee Experience of those remaining in the organization. The organization must also take into consideration the loss of knowledge and skills. (Mercer 2023.)

Organizations need to create a plan of business continuity post-negotiations that considers potential impact of the layoffs on essential business operations and the employees remaining in the organization. Lack of such a plan will make it hard to adjust work structures and setting realistic goals in light of resource reductions, causing stress and potential burnout amongst the employees staying in the organization. (Mercer 2023.)

In the dialogue post-negotiations, it is key to react on what the employees have to say. Leaders play a crucial role in the Employee Experience by responding effectively to employee concerns

following the change negotiations and layoffs. Allison Dunavant, Vice President of Organizational Development at Camden, highlights the importance of managers acknowledging the impact of the changes and create a supportive environment for employees to express their concerns. It is essential to listen actively to employees' needs without assuming to understand their experiences completely. (Kitterman July 2023.)

Dunavant also advises leaders to embrace discomfort and vulnerability, recognizing that addressing difficult issues is necessary for growth. It is essential to be prepared to act on the feedback received. Moreover, managers should ensure they have the necessary resources to respond effectively to survey results. Simply listening to employees without a commitment to implementing changes can erode trust and engagement. (Kitterman July 2023.)

In the end, the only way for an organization to find out the impact of the change negotiations is by dialogue. In events of change the organization should ask both laid-off and retained employees how the change process impacted them, and act according to the feedback. (Saranen 2020.) It is important to understand that change is also an opportunity. When change negotiation and employee reduction processes are handled responsibly and actions align with values, the outcome can despite the challenges be better than the starting point. (Saksi 25 October 2020.)

Moreover, honesty is paramount. Managers should be transparent about what they know and acknowledge when they do not have all the answers. This builds trust and demonstrates authenticity. Beyond traditional surveys, managers should invest time and resources in innovative ways to engage employees in shaping the future of the organization. This proactive approach fosters a sense of ownership and involvement among employees. (Kitterman July 2023.)

Leaders and managers have the prominent communication responsibility during change. As emphasized in chapter three, transparent communication is a fundamental aspect in shaping the Employee Experience. Leaders who prioritize transparency cultivate trust, accountability, and employee loyalty. (Ward 2024.) The next section will delve into transparency and other critical aspects of change management communication.

4.2.2 Communication and change

A well planned and executed communication is key in a change process. In addition to written and digital information, change requires face to face interaction. If there are barriers to physical gathering, it is important that the leaders create platforms to listen, show empathy and be present through remote connections. (Rauramo 2012, 96; Saksi 25 October 2020.)

Legislative aspects are central in change negotiations, and imperative to ensure fair treatment amongst the employees. It is essential for organizations to understand and communicate these laws and regulations to the employees proactively. (Laker June 2023.) In addition to the communication about legal aspects, it is significant that the organization can respond to employees' concerns on an emotional level. (Saranen 2020). The organization must create open communication channels, where employees are encouraged to provide feedback and ideas. The dialogue fosters a sense of involvement and ownership during the change. (Mattey August 2023.)

Research conducted by Maylett and Wride shows that even though executive leaders think they communicate effectively, the information is not making into the depth of the organization. When 300.000 employees were surveyed about organizational communication, 91% of the Senior Managers replied that the level of communication they receive about important topics is appropriate. However, only 78% of the mid-level managers reckoned they have enough relevant information to be successful, and just 68% of line-level employees responded that they have enough information. This means a third of the employees that are dealing daily with the customers are not aligned with what the leadership think they have communicated effectively. It also works the other way around, about 50% of the employees surveyed felt they did not have a say in topics considering them. (Maylett & Wride 2017, chapter 2.)

The organization must transparently articulate the rationale behind decisions affecting employees, fostering dialogue to explore various solutions collaboratively. This ensures a shared understanding of the situation and facilitates joint decision-making. In change negotiations there are multiple legal obligations the organization must take responsibility of, and communicating these obligations to the employees openly also helps them understand the situation better. (Saranen 2020.) In addition to emphasizing the data that shows the necessity of change, organizations must provide information about the proposed new type of organization and the expertise it requires. It is crucial that the managers are present and show capability to take responsibility in the situation, and comprehensive communication about the rationalities strengthen the trust and respect towards the leadership. (Kantor September 2008.)

The reasons to start change negotiations are often production and financial reasons: the organization must react to the economic and market conditions. Change negotiations are about improving business results, but on an emotional level, they concern individuals and their families. Therefore, the management must take responsibility. When employees are told about the change negotiations the senior management must also be present on an emotional level. Change negotiations inevitably affect the motivation and coping skills of the personnel, and it is important to strengthen the

employees' sense of security to ensure business continuity during the change. (Kantor September 2008.)

One key aspect in change negotiations is to meet the concerns and questions of the employees. When Amy Edmonson, Professor of Leadership at Harvard Business School, was asked how managers should deal with their team members emotions of uncertainty, she summarized the concept very well: "Make it discussable." (Duunitori 2023.) If the organization does not meet these emotions, the feelings of insecurity and fears will impact the employees' wellbeing and productivity. (Rauramo 2013, 4.)

In change communication, it is also important to pay attention to the language used: the more the employees receive information in their own language without unnecessary professional jargon, the closer the change initiative feels. In addition to just spoken communication, it is also good to pay attention to the so-called hidden communication: the more personal and free-form atmosphere can be created, the more openly the messages will be listened to. (Mattila 2007, 189.)

Proactive communication is essential in the context of change negotiations. All information that can be disclosed should be shared as openly and proactively as possible. (Saksi 25 October 2020.) It is the organizations responsibility to be on top of the communication, and to communicate even if there is no news to share, so the employees are up to date. Communication removes uncertainty among the employees, and removing the uncertainty increases the wellbeing of the employees (Saranen 2020.) It is also important in order to avoid rumors and speculations, that spread fast through the organization if the communication is not well managed. It is better to communicate something, than staying silent. (Mattila 2007, 187 - 190.)

The decision to start change negotiations is made by the organization's management, but it is important in every step of the process to emphasize that it is a negotiation based on dialogue. The employees can make their suggestions, for example, on how to make production more efficient or to improve profitability, and the management is wise to listen to the personnel's proposals. (Kantor September 2008.) According to the Co-operation Act the organizations are obliged to involve the employees in the decision-making progress during the change negotiations. However, empowering the employees also benefits the organization. Employee empowerment fosters a sense of ownership and commitment to the organization's resilience, encouraging the employees to contribute their best efforts during challenging times. Change situations are also opportunities to encourage employees to innovative thinking. Organizations that advocate experimentation and learning can discover creative ways to process the crisis. (Mattey August 2023).

Dialogue also plays a vital role in mitigating misunderstandings. Messages are subject to individual interpretation by recipients, often deviating from the intended meaning perceived by the sender. Engaging in dialogue through questions and answers, explanations and reasoning facilitates the discovery of common understanding, surpassing the limitations of one-sided communication. The only way for communication to create a better future than present state is through dialogue. (Åberg 2006, 85- 86.)

It is important the communication is achievable for all employees, and the awareness of neurodiversity is in constant growth. However, only limited knowledge exists regarding managing neurodiversity during crises. Research indicates that transparent and straightforward communication is essential when engaging with neurodiverse individuals. Collaborative discussions among HR, managers, and neurodivergent employees are crucial to determine the most effective communication methods, which may include formal or informal approaches, face-to-face interactions, video calls, verbal or written communication, diagrams, or project briefings. Additionally, supporting and informing managers is advantageous. Providing training on various aspects of neurodiversity enhances awareness and equips managers with the necessary skills to effectively manage their team members. (Szulc, McGregor & Cakir 2023, 1691.)

Dialogue is crucial for all communication in change situations, also in the period after change negotiations. Change management does not end when the change negotiations end but starts a new chapter where leading the remaining employees in the organization towards a new start and motivation is in focus. In this setting, discussing with the employees and listening to their feedback is essential. Research indicates that establishing communication channels such as surveys and listening sessions is key to maintaining positive relationships with employees and mitigating the negative impacts of layoffs. (Kitterman July 2023.)

Reengaging employees following a layoff not only rebuilds trust but also signals to employees that future layoffs will be a last resort. This trust in management's commitment to avoiding layoffs translates into tangible business benefits. When the employees feel trust towards the leadership and the job continuity, they are nine times more likely to exert additional effort, twice as likely to adapt swiftly to business changes, and four times more likely to remain loyal to their company. Given these remarkable outcomes, leaders should seize every opportunity to enhance communication with employees post-layoff. (Kitterman July 2023.)

The cornerstone of nurturing positive Employee Experience is cultivating a culture of transparent communication. This entails cherishing openness, honesty, and empathy throughout all phases of employment. Moreover, organizations should actively promote candid discussions across all organizational tiers, allowing employees to voice their opinions and ideas freely. This practice fosters

trust, nurtures collaboration, and ultimately bolsters the company's overall prosperity. (Laker June 2023.)

In conclusion, this chapter outlined the concept of change management and presented key leadership and communication aspects during the change. Key change managements aspects had a lot of similarities with the key elements of shaping the Employee Experience, and aspects like transparency, fostering trust, dialogue, and empathy were highlighted. These, combined with the key concepts of Employee Experience, particularly Morgan introduced in chapter three, outline the framework that is applied to the empirical part of this thesis, presented in chapter five.

5   Research approach, methodology and process

In this chapter the research approach, methods of data collection and analysis, and research process are presented and described.

5.1   Research approach

The purpose of this research-oriented thesis is to study how leadership, change management and communication during and after change negotiations impact the Employee Experience of those remaining with the organization following the negotiations.

This thesis has not been assigned by a client but is conducted in the name of general interest as impartial research. The concrete goal of the thesis is to present organizations with a list of concrete guidelines they can utilize during and after change negotiations to ensure a positive outcome in the Employee Experience. Therefore, the thesis is research-oriented with a constructive research approach. A research-oriented thesis may center on a current issue or dilemma within the realm of professional or business environments. In such cases, the student may not be commissioned by an organization. (Haaga-Helia s.a.)

Constructive research is an applied research approach, where the desired goal of the research is known. In constructive research the research creates a concrete solution to an existing problem using theoretical knowledge. (Ojasalo, Moilanen & Ritalahti 2009, 38.) In this thesis the desired outcome is a list of leadership and communication actions an organization must take to ensure a positive Employee Experience also during and after change negotiations.

The constructive research approach require that it focus on real-life problems that the researcher feel is necessary to solve, produce an innovative construction that is meant to solve original real-life problem, is connected to existing theoretical knowledge, and attaches special attention to reflecting empirical findings back to theory. (Lukka s.a.)

Jonsson and Lukka characterize constructive research as a research approach striving to strike a balance between practical problem-solving and theoretical advancement. They describe it as a process where researchers, alongside members of the target organization, develop and test new constructs, drawing theoretical insights from these endeavors. The term "construction," derived from the Finnish word "konstruktio," denotes entities that offer solutions to explicit problems, unrelated to constructivism or constructionism. (Jones, Gold & Claxton 2023, 3052-3053.)

The Constructive Research Approach includes a set of structured steps: identifying a practically relevant problem with research potential, attaining a comprehensive understanding of the topic at

hand, innovating, and crafting a solution grounded in theory, implementing, and testing the solution's efficacy in practice, evaluating the scope of the solution's applicability, and demonstrating the theoretical connections and the research contribution of the proposed solution. (Labro & Tuomela 2003, 415.) Figure 8 illustrates the process of this research-oriented thesis with a constructive approach.
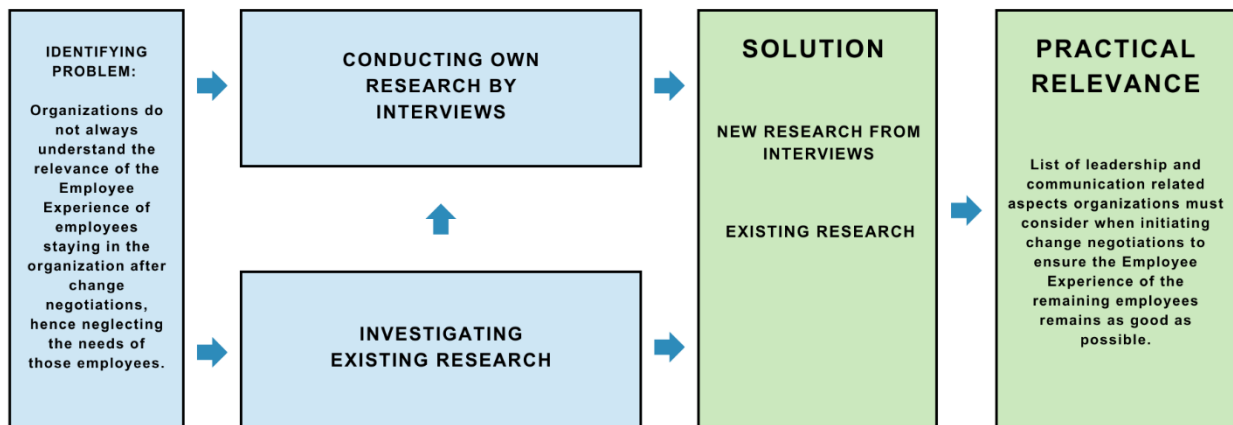
Figure 8. The process of this research-oriented constructive thesis

5.2 Research methodology

Research methodologies are classified into two main categories: quantitative and qualitative methods (Moilanen, Ojasalo, & Ritalahti 2022, 134). Qualitative research is primarily concerned with comprehending the human experience. Utilizing techniques such as interviews, surveys, and observations, qualitative researchers seek to uncover individuals' thoughts and feelings regarding different phenomena. While quantitative research emphasizes broader social factors, qualitative research places importance on individual experiences. Qualitative methods are well-suited for describing specific cases or micro-cultures, whereas quantitative research aims to identify general laws. (Lincoln 2021, 3-4.)

Interviews are one of the qualitative research techniques. (Lincoln 2021, 3-4.) Interviews serve as a flexible data collection method suitable for diverse starting points and purposes (Hirsjärvi & Hurme, 2022, chapter 2). They are essentially purpose-driven discussions where one person speaks while the other listens (Hirsjärvi & Hurme, 2022, chapter 1).

This research-oriented constructive thesis is classified as qualitative research. The aim is to understand the experience of individuals who have been affected by change negotiations and layoffs of their colleagues and create a list of leadership and communication related actions organizations must consider in change negotiations to keep the Employee Experience as positive as possible. The research for this thesis was conducted with the semi-structured interview methodology.

Unlike structured interviews, which follow a predetermined set of questions delivered in a fixed order, semi-structured interviews afford the interviewer the flexibility to modify both the sequence and wording of questions during the interview process as required (Moilanen, Ojasalo, & Ritalahti 2022, 139.) The interview is aimed at the subjective experiences of the persons under investigation. A semi-structured interview can be used to examine an individual's thoughts, feelings, experiences, and also unspoken knowledge of experience. It highlights the interviewees' own world of experience. The theme interview brings the voice of the subjects to be heard. The theme interview can be either qualitative or quantitative. (Hirsjärvi & Hurme 2000, 47-48.)

Semi-structured interviews are well-suited for the purpose of this research, as it aims to encourage interviewees to openly share their experiences. The focus lies on gaining an overall understanding of leadership, communication, and other factors influencing Employee Experience during and after change negotiations, rather than seeking specific answers formulated in a standardized manner across all interviewees.

5.3 Research process

This chapter will describe the research process which consisted of data collection with the semi-structured interview methodology and compiling and analyzing the data towards findings.

5.3.1 Data collection

The empirical foundation of this research-oriented thesis was collected through semi-structured interviews. In the pursuit of comprehensive research, the inclusion of questionnaires as a secondary method was considered. However, I neglected that idea because understanding a broad phenomenon like Employee Experience during and after change negotiations requires broad discussions, not a questionnaire which might lead the respondents towards a certain outcome. There existed a potential risk that questionnaires might yield superficial insights.

An advantage of an interview compared to a survey is also that the researcher can be sure from whom the desired information is obtained. (LoBiondo-Wood & Haber 2002, 303.) My main concern was ensuring that the collected data originated from individuals within the scope of this thesis, and therefore also interviews were the most suitable method.

Semi-structured interviews offer flexibility in exploring various research objectives through a combination of open-ended and theory-based questions. Crafting these questions involves experimentation and field-testing to refine the interview protocol. Each question should directly align with the research purpose, guiding a thorough exploration of the topic. Interviews can progress from broad, experience-based inquiries to focused, theory-driven ones. (Galletta & Cross 2013, 45.)

In semi-structured interviews a detailed list of questions is not used, but a list of thematic areas is prepared. Based on the theme areas, the interview can be continued and deepened as far as the research interests require, and the conditions and interest of the interviewee allow. (Hirsjärvi & Hurme 2000, 66-67.) The head structure of the interview was as follows: background questions about the interviewee and the organization, discussion about the interviewees' reflections on a great Employee Experience in general, discussion about the interviewees' Employee Experience in the particular organization before the change negotiations, discussion about the interviewees' Employee Experience in the particular organization during the change negotiations, discussion about the interviewees' Employee Experience in the particular organization after the change negotiations, and in the end conclusion and discussion about what organizations need to do better to ensure as good Employee Experience as possible during and after change negotiation. The themes discussed are illustrated in figure 9, and the whole interview structure can be found in Appendix 1. The structure was a draft for the interviews, but each interview moved forward differently, appreciating the interviewees way of telling the story about their experience.
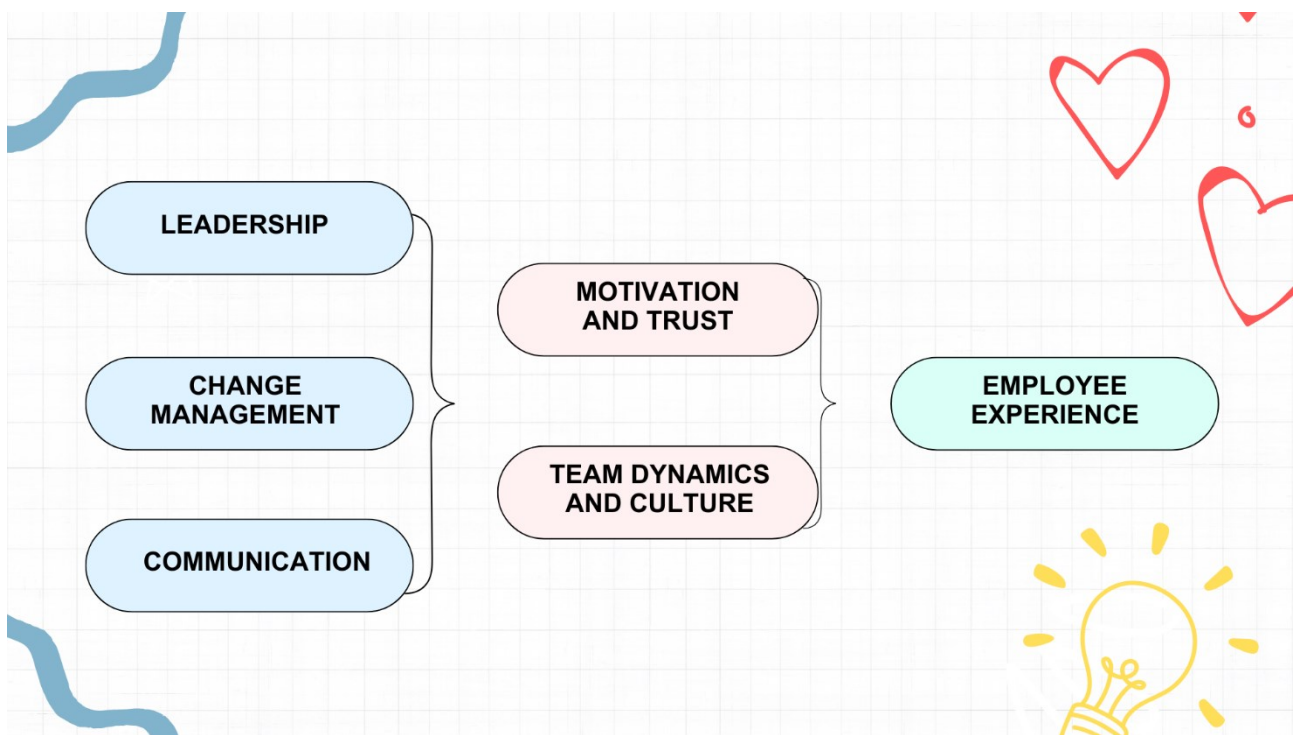

Figure 9. Themes of the interview

Hirsjärvi and Hurme (2000, 72-73) suggest that pre-interviews should be conducted, to refine the target group, theme areas and word choices before the finalizing the interview framework. Before initializing the formal interviews, I conducted a preliminary test interview to assess the efficacy of the chosen themes and questions. This test interview involved an individual knowledgeable in the concept of employer experience and with prior experience in change negotiations. Some might argue that conducting the test interview with someone unfamiliar with employer experience would provide insights into the level of explanation of concepts required. However, I intentionally opted for an experienced participant to evaluate the comprehensiveness of the themes while keeping the focus on leadership and communication.

Following the test interview, minimal adjustments were necessary. The primary area of concern highlighted was that the questions tended to inquire about areas for improvement rather than acknowledging successful aspects. Consequently, I modified my approach in subsequent interviews. Towards the end of each interview, I explicitly asked participants if there were any positive experiences or practices worth sharing, to gain insights that other organizations could learn from.

Semi-structured interviews can be conducted both as individual and group interviews (Kananen 2010, 53). The research for this thesis was conducted individually, because of the sensitivity of the subject. The other reason was that in group interviews the interviewees might affect the opinions of the others, and every participant might not be as comfortable speaking in a group, creating a setting where some of the interviewees will not be equally heard, affecting the outcome (Kananen 2010, 53).

In qualitative research, participants for interviews are not selected randomly, as is common in statistical studies, but rather based on specific criteria relevant to the research question. Prioritization of certain participants may be necessary to ensure a broad representation. (Galletta & Cross 2013, 33-34.) I specifically searched for interviewees within the scope of the research: individuals who have experienced change negotiations in private sector organizations in Finland but remained with the organizations post-negotiations.

I searched for potential interviewees through my personal Facebook and LinkedIn connections, posting information about the theme and importance of my thesis, and in which scope I was looking for interviewees. I was pleasantly surprised by the number of individuals who reached out eager to participate in my thesis interviews. Despite hearing many times about the difficulty of finding interviewees, it seems that this topic resonated with individuals who were keen to contribute. Consequently, I had no trouble finding participants, ultimately interviewing twelve individuals. However, there were more offers than I could accommodate. To ensure a diverse range of perspectives, I prioritized participants carefully. For instance, although multiple employees from the same

organization expressed interest, I opted to interview only one representative from each organization. This decision enabled me to explore various leadership and communication strategies employed during negotiations for organizational change.

Some of the selected interviewees were familiar faces, while others were new contacts. Interestingly, the interviews flowed smoothly regardless of whether I knew the interviewee beforehand or not. However, I want to stress the importance of approaching each interview with a fresh perspective, treating the encounter as if we were strangers discussing the topic for the first time. It is crucial to maintain the interviewer-interviewee dynamic rather than slipping into a casual conversation between friends. I wanted to ensure my knowledge of the interviewees values and opinions affected the interview as minimal as possible.

While practical constraints such as time and cost influence participant numbers, the goal is to interview enough participants to achieve data saturation, where new themes cease to emerge. (Galletta & Cross 2013, 33-34). I preliminary agreed on interviews with twelve individuals. Since these interviews reached data saturation, the goal was reached, and twelve interviews were the final number.

To ensure the interviewer does not lead the interviewee too much towards certain areas, it is good to first let the interviewee describe the theme as freely as possible, and after that use certain questions if there is some aspect that needs to be investigated deeper. (Eskola, Lätti & Vastamäki 2018, chapter 1.) The themes and questions I had prepared considered this aspect. My first question was always broad, asking the interviewee to describe the Employee Experience, leadership, and communication in own words.

Before the interviews the interviewee was provided with a short description of the content and purpose of my research. I did not share the questions of the interview, since semi-structured interviews are based on open discussion, supported by a set of questions, but not a questionnaire where every question needs to be asked in a certain order.

In the beginning of the interview, I explained the stages of the discussion: background information, Employee Experience in general, Employee Experience in the organization before change negotiations, Employee Experience in the organization during change negotiations, Employee Experience in the organization after the change negotiations, and conclusions.

The interviews were conducted between 13.12.2023 and 27.2.2024. Six of the interviews were conducted in a Teams call and the other six as an in-person interview. The in-person interviews were held in public places that allowed personal conversations.

The interviews were long. Most of them were 90-120 minutes, with one exception of 60 minutes. People have different ways of telling their stories, some talked very broadly and comprehensively, while other focus on more narrow areas at a time. When looking for people to interview it already became clear to me that the topic is important for people, since I was offered more interviewees than I could manage. The actual interviews confirmed this view: the interviewees had a lot of stories to share, and it was clearly a topic that sparked a natural discussion. The interviews truly felt like open discussions between two people who trust each other, instead of a classic interview. The interviews had a relaxed and open atmosphere, and there were no disturbances. Only thing to mention is that one interview was scheduled for 90 minutes, but we had to schedule additional 30 minutes since we did not feel we were ready with the discussion.

My intention was to not lead the answers to a certain way, but to keep the questions as open as possible and strived to get the interviewee to describe phenomenon in own words. However, there were questions prepared about each theme to ensure the discussion move forward with a natural flow. Some clarifications needed to be asked more specifically, though, because the interviewee mentioned something that caught my interest and needed to be explored in more detail.

I did not record the conversations of two reasons. First, people talk more freely when they are not recorded. This is over and over demonstrated in my work, where people shut down immediately when one hits the record button. Second, I concentrate better on listening if I make notes at the same time. Hence, I would have been writing down everything the interviewee said anyway, so the recordings would not have served a great purpose, only risked the interviewees to be less honest and open.

The interviews started with discussion about background information about the interviewee and the organization where the change negotiations occurred. I did not ask for the name of the organization, just the industry. However, some interviewees mentioned the names of the organizations proactively in their answers on questions further in the interview.

Table 3 shows details of the interviews. In the interview I asked about the interviewee's role in the organization, but in the end, I decided to leave out that information from the thesis of two reasons: nothing in the analysis of the interviewee data indicated any findings related to the roles of the employees, and some interviewees were from smaller organizations, and I wanted to minimize the risk of them being identified.

Table 3. Interview details

Interviewee identification	Industry of the organization	Method	Duration of the interview
Interviewee 1	Information and Communication Technology (ICT)	Teams interview	90 minutes
Interviewee 2	Information Technology (IT)	Teams interview	90 minutes
Interviewee 3	Communication and Marketing	Teams interview	90 minutes
Interviewee 4	Software as a Service (SaaS)	In-person interview	120 minutes
Interviewee 5	Telecommunication	Teams interview	90 minutes
Interviewee 6	Information Technology (IT)	Teams interview	90 minutes
Interviewee 7	Financial Administration	Teams interview	90 minutes
Interviewee 8	Information Technology (IT)	In-person interview	90 minutes
Interviewee 9	Telecommunication	Teams interview	120 minutes
Interviewee 10	Third-party Logistics (3PL)	In-person interview	105 minutes
Interviewee 11	Corporate Business Travel	In-person interview	60 minutes
Interviewee 12	Logistics	In-person interview	90 minutes

5.3.2 Analyzing the data

In qualitative research the material can be analyzed with deductive or inductive content analysis. Deductive content analysis means applying theory to the data to test the theory. Inductive content analysis, which has been used for analyzing the data in this thesis, means analyzing data without preconceived categories or theories and the focus of the research is on the new data collected by the researched. Meaning, the aim of inductive content analysis is not to test a theory or hypothesis, and the researcher does not decide what is important. (Saaranen-Kauppinen & Puusniekka 2006.)

The analysis is also thematic. Thematic analysis is the study of patterns and themes to identify underlying meaning. Thematic analysis is particularly useful when looking for subjective information, such as a participant's experiences, views, and opinions. The process is driven by the research

aim and questions, so it is not necessary to identify every theme in the data but focus on the key aspects related to the research questions. (Guest 2011, introduction.)

In the analysis of the data a virtual whiteboard, Miro board, was utilized. First, the answers were grouped by the themes according to the question framework of the semi-structured interview. The grouping was done by adding the answers of every interviewee on post-it notes, so that every interviewee had their own color. When all the relevant answers had been collected on the Miro board, the theming began. The answers were first gathered in broader themes and then similar answers were gathered and a common denominator was formed for them. Figure 10 is a screenshot of one themed part of the Miro board, which shows the broader themes as well as the clusters gathered from individual answers. In the screenshot it is not possible to distinguish the text on the post-it notes in the board.

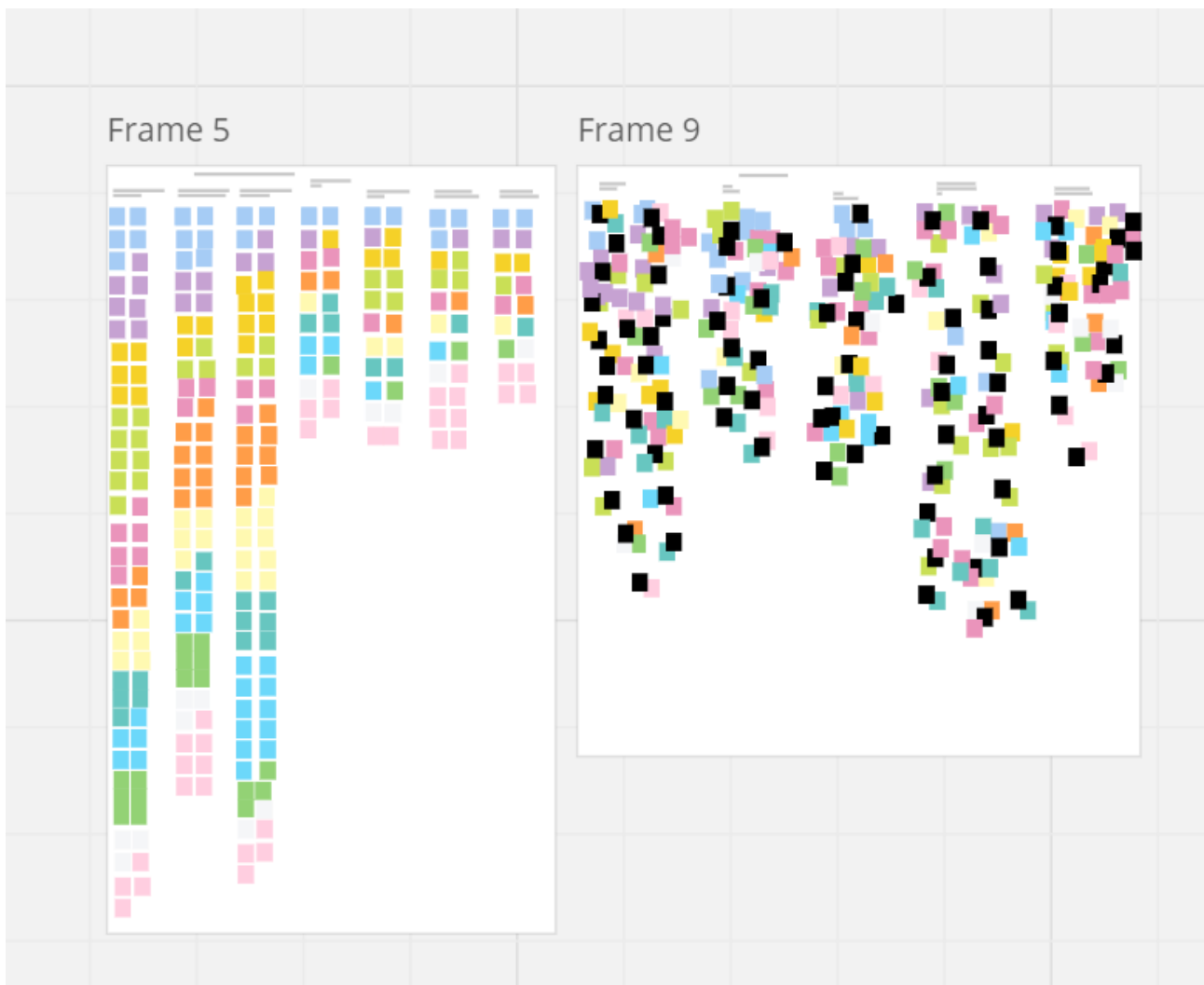The findings from this analysis are presented in chapter six.

Figure 10. Screenshot from the Miro board used for data analysis

6   Interview findings

In this chapter the interview findings will be presented. First, the findings on leadership, change management, and communication aspects that affect the Employee Experience are presented in two separate sections: during and after change negotiations.

The third sections describe what effects the change negotiations have on the employees and the organizational culture.

6.1   Employee Experience during change negotiations

In this chapter the leadership, change management and communication aspects that impacted the interviewees Employee Experience either positively or negatively during the change negotiations will be presented. When referring to "during change negotiations" it indicates the period starting from when the organization informed the employees about initiating the change negotiations until the day the negotiation results were disclosed to them. During change negotiations the employees still do not know if their position will be impacted, while as after change negotiations the retained employees know they will remain within the organization.

The essential difference between during and after change negotiations is also the legislative aspect. The negotiation period is heavily regulated by legislation, whereas the period after the negotiations is predominantly influenced by voluntary actions and implementation of change management strategies.

In the next chapter the leadership, change management and communication aspects that affected the interviewees Employee Experience after the change negotiations will be explored. Some factors affecting Employee Experience cannot be neatly categorized as occurring strictly during or after the negotiations. Instead, they constitute a continuous influence on employees throughout the entire process. These factors are emotional support and empathy, support from direct manager, expectation management, and dialogue, and will be exclusively addressed in this chapter to avoid redundancy.

The findings are categorized under leadership, change management, or communication. However, there are overlaps between these elements. Figure 11 illustrates the findings and their categorization. Dark blue denotes the primary category in the reporting, while lighter blue indicates areas where the theme may also apply. There is also an indication of findings that remain relevant also after the change negotiations.

	Leadership	Change Management	Communication	Both during and after change negotiations
Emotional support and empathy				✓
Support from direct manager				✓
Expectation management				✓
Performance management				
Legislative aspects were communicated				
Reasoning was clearly articulated				
Proactive communication				
Genuine negotiations dynamics and dialogue				✓
Communication skills				
Transparency and honesty				

Figure 11. Categorization of findings

6.1.1 Leadership during change negotiations

Three out of twelve interviewees appreciated that the **leaders acknowledged the employees' feelings and showed emotional support** during the change negotiations. This empathic approach made the interviewees feel heard and valued, and strengthened the feeling that the wellbeing of the employees is important for the organization. It also enhanced the feeling of an open and honest atmosphere and created psychological safety.

Half of the interviewees however expressed feeling unsupported by the organization during and after the change negotiations. Three of these interviewees mentioned that while their direct manager provided some support, the organization showed little concern for the wellbeing of its employees, and the whole process was shadowed by a lack of empathy. The interviewees felt dehumanized and reduced to mere numbers, rather than valued individuals. A few interviewees mentioned, that if the atmosphere would have been more empathetic and appreciative, instead of neglective, it would have despite the challenging situation promoted their loyalty towards the organization.

Three interviewees noted a lack of support towards employees remaining in the organization, with support only being offered to those whose employment was terminated. This disparity in support further contributed to feelings of neglect among employees.

Additionally, half of the interviewees mentioned the leaders were extremely distant during the change negotiations, which created communication barriers and diminished engagement. A few of these interviewees felt the leaders were hiding from the employees due to fear of conflict. According to these interviewees, executive leaders are expected to demonstrate strength and courage by being in the spotlight and addressing questions and criticism during crisis situations. The failure of leaders to fulfill this expectation and instead becoming distant led to a notable decrease in trust towards the organization among employees.

Among the twelve interviewees, three reported that unprofessional behavior exhibited by leadership significantly impacted their Employee Experience negatively both during and after the change negotiations. Specifically, one interviewee described an incident where an executive leader was clearly drunk during a change negotiation meeting. Two interviewees highlighted that the executive leadership openly spoke unfavorably about employees during and after the negotiations. One C-level leader even openly expressed to the employees his preference for laying off a different employee than they had, but that legal constraints unfortunately prevented his plans. This type of behavior created a toxic environment and decreased the confidence and trust in the leadership.

The role or significance of the direct manager during change negotiations varies considerably depending on the organization. According to the interviewees this stems from two primary factors:

firstly, the specific duties the manager has received from the organization in the negotiations, and secondly, the manager's personal capabilities and their level of commitment toward employee well-being.

Eight out of twelve interviewees mentioned that the support from their direct manager impacted their Employee Experience during the change negotiations significantly towards the positive. In six of these cases, the trust towards the organization and leadership in general declined because of the change negotiations, and the Employee Experience outcome would have been a lot worse if it were not for the positive efforts of the direct manager. These interviewees felt that their direct manager offered them empathetic support and guidance and acknowledged that the change negotiations have an emotional impact on the team.

Half of the interviewees mentioned that their direct manager had a proactive approach in the communication. This helped the interviewees better understand how the change negotiations may affect them personally, eased some anxiety, and promoted some sense of stability in the uncertain environment. The interviewees also appreciated that their managers encouraged them to open dialogue and addressed their concerns and suggestions, even though they unfortunately could not formally negotiate the suggestions with the employees.

One area that was especially appreciated by the interviewees was that the direct managers communicated directly on what areas were open for discussion, and what topics where legislated and they could not comment or discuss with the team. This helped the interviewees understand the boundaries, and it was a relief to hear honestly that the topic cannot be discussed, rather than be ignored or lied to.

One interviewee emphasized the relief they felt when their direct manager consistently also engaged in communication beyond negotiation-related matters. The manager's ability to address routine business concerns, rather than solely focusing on negotiations, was perceived as a positive attribute. It was good for the wellbeing to be able to for even a slight moment think about something else than the ongoing crisis.

Half of the interviewees appreciated, that the relationship between them and their manager did not change negatively due to the change negotiations. The interviewees who felt their direct manager actively listened to their concerns, validated their feelings, and offered practical assistance or resources, mentioned that the manager strengthened the bond between themselves and the team members despite the challenging situation.

> My direct manager said you could come and chat anytime if you are feeling bad. But of course, you can't say everything in this situation. But it's anyway a good thing she said it out

> loud. The situation was just a bit weird since I had always been very open with my manager, and then all of sudden you felt you couldn't be as open. However, after the change negotiations our communication and trust went back to normal. There were no hard feelings or anything like that. But I think it is because we had such good and open communication before the change negotiations. (Interviewee 12.)

Among the twelve interviewees, three expressed dissatisfactions with how their direct manager handled the change negotiations. Specifically, these managers exhibited emotional instability during the negotiation process, making them unable to provide effective support to their teams. Consequently, interviewees found themselves not only managing their own crisis but also navigating their managers' negative emotions. One interviewee reported that their manager consistently criticized other executive leaders, despite occupying a C-level leadership position themselves. Another interviewee described their manager as basically disappearing after the negotiations were concluded.

The interviewees who felt neglected by their direct managers expressed a desire for both empathy and practical support. They wished for assistance in understanding the legal aspects of change negotiations and guidance in addressing their questions. While recognizing that certain topics are off-limits during negotiations, the interviewees still hoped for a more present and supportive managerial presence. How the manager acted in the crisis increased anxiety and the interviewees felt blindsided and left in the dark about their future.

> After the announcement my manager didn't know how to be a manager anymore. She was in her own stress bubble and took out her own bad feelings on us. If you despite this tried to ask her something about the negotiations, she just huffed what everyone is in the same situation. She didn't proactively contact us during or after the negotiations. After the negotiations she just stayed at home. Of course, there was covid which affected the situation, but she didn't contact us in any way. In several months we didn't have any communication whatsoever. (Interviewee 11.)

Direct managers often serve as the primary point of contact for employees, and their ability to navigate challenging conversations can significantly impact morale and trust within the team. The interviewees highlighted that proper training equips managers with the skills to communicate effectively, address concerns, and provide support during times of uncertainty, fostering a sense of stability and understanding among employees. One important aspect mentioned was also, that supporting managers with the communication ensures consistency in messaging and approach, preventing misunderstandings or mixed signals that could lead to anxiety or distrust. Additionally, it was discussed that investing in manager training demonstrates a commitment to employee wellbeing and professional development, empowering them to lead with confidence and empathy even in difficult circumstances, ultimately preserving team cohesion and organizational resilience. It was highlighted that managers are employees too, and in worst case they need to tackle the stress of perhaps losing their job themselves simultaneously when they must take into consideration the wellbeing of their team.

> The organization must support the managers so they can give people their time during the change negotiations and have the tools to face difficult emotions. It is important the managers know how to be there for their team and face the feelings and individuals. (Interviewee 1.)

> If there are immediate supervisors, their role is very important during change negotiations. It is worth investing in them. The organization must ensure they have enough time for their team members during the negotiations and that they get as much information as possible. The managers need to get support so they then can support their team members. Even though managers hands are full during change negotiations, they need to be enabled to use a lot of time on their team and on the empathy and human side of things. (Interviewee 12.)

6.1.2 Change management during change negotiations

Half of the interviewees mentioned that the **expectation management around the practicalities of the change negotiations** had a positive impact on their Employee Experience. The interviewees mentioned, that by clearly outlining the timeline for negotiations and specifying when additional information would be available, the employees were provided with a sense of direction and reassurance during a period of uncertainty. This structured approach not only helped employees understand the process but also enabled them to anticipate upcoming developments, reducing anxiety and fostering a more conducive environment for open communication and collaboration. Ultimately, this transparency in the negotiation process contributed to a more positive Employee Experience, as it facilitated a smoother transition and allowed employees to feel more engaged and empowered throughout the process.

> The communication during the change negotiations was handled very well. The schedule of the negotiations was clearly explained; when they start and end, when we can expect more information and so on. Whenever there was some new information to be told, the organization told it immediately. (Interviewee 1.)

Four interviewees expressed their dissatisfaction with **lack of performance management** during the change negotiations. They discussed that leaders play a vital role in setting expectations, enforcing accountability, and fostering a culture where all employees are motivated to contribute their best efforts also during times of change.

The interviewees understood that everyone reacts to crisis differently and that the motivation for one's work can decrease during change negotiations. However, they were disappointed that the leaders did not even try to ensure everyone pulled their weight during the times of uncertainty. The main issue was that when some employees did not handle their responsibilities, the workload fell on the other employees who were already stressed. Seeing others avoiding their responsibilities without consequence made some interviewees resentful both towards their colleagues and the leadership, impacting the team dynamics. The interviewees also discussed that failure to address issues of accountability signals to employees that mediocrity is acceptable, and excellence is not valued.

The interviewees also witnessed some bad behavior amongst their colleagues, that was not properly addressed by leadership. They were aligned in their reasoning that if there are common practices and values set by the organization, they should be monitored and concern everyone in the organization also during times of changes, if not especially then.

> If there are no consequences for bad behavior, the organization is communicating that the bad behavior is accepted. In that way the organization sets the values and the norms. It is important that bad behavior is addressed no matter how valuable the employee is from a financial perspective for the organization. (Interviewee 10.)

6.1.3 Communication during change negotiations

Three out of twelve interviewees mentioned that the **legislative aspects and obligations of the change negotiations were described** to them when the change negotiations started, which positively influenced their Employee Experience. The interviewees emphasized, that by outlining legal obligations, the organization enabled employees to grasp the legal framework guiding the negotiations and understand their rights and responsibilities.

Furthermore, this knowledge empowered the interviewees to effectively advocate for their rights and interests during the negotiations. The open communication about legal obligations also signaled the organization's dedication to conducting negotiations fairly, lawfully, and transparently, thereby fostering trust and credibility in the process.

Two interviewees appreciated that throughout the entire change negotiation process a few managers always when asked questions told the employees straight away if they cannot answer because of legislative aspects, instead of avoiding the questions. This approach was deemed acceptable by the employees, contrasting with vague or non-sensical responses.

On the contrary, seven out of twelve interviews mentioned that the organization failed to provide clear guidance regarding their legal obligations or permissible communication topics throughout the change negotiation process. Although some direct managers addressed these matters, such discussions were not part of official communication.

The absence of a clear understanding of the legal framework surrounding change negotiations and layoffs led to increased anxiety and stress among some interviewees, as they felt powerless in the situation. It also raised doubts about the organization's commitment to fairness and transparency, significantly impacting their Employee Experience negatively.

> These were my first change negotiations. It seemed strange that the organization did not give us any information about what to expect or what the legal responsibilities, obligations or rights are in the process. It was on the individual to get familiar with the legislation. (Interviewee 12.)

Five of the twelve interviewees noted that the **rationale behind the necessity of change negotiations was effectively communicated** to them. They expressed that clear and well-justified reasoning made it easier for them to accept the situation rather than maintain resentment towards change.

Two interviewees emphasized the importance of financial transparency within the organization, particularly during change negotiations. They noted that the organization consistently maintained a high level of financial transparency, which continued during the change negotiations. This transparency facilitated a clear understanding among employees regarding the reasons behind organizational changes. The financial transparency furthermore encouraged the interviewees and other employees to greater engagement and participation. In both organizations the transparency led to the teams focusing on sales and billable work with a new eagerness.

> Open discussion about the state of the organization is important. We have the habit of regularly discussing the financial figures transparently. First, I was not used to this level of financial openness, but now I appreciate it highly. It is really nice that you can always see the figures for the quarter and see how it is going. (Interviewee 3.)

> The whole time I worked there the organization communicated the organizations cash flow situation. The term runway was presented, meaning how many months there is before the business runs out of cash, and how recruitment and marketing and other actions affect it. This background helped tremendously in the communication when the change negotiations were initiated. (Interviewee 8.)

However, four interviewees expressed frustration over the lack of clarity regarding the need for change negotiations. Two of these interviewees highlighted that the information regarding the commencement of negotiations was solely communicated via email, without any accompanying information sessions or opportunities for employees to ask questions. Additionally, two interviewees highlighted that additionally it was unclear which departments the negotiations concerned.

The absence of a clear understanding of the necessity for change negotiations led to heightened uncertainty and anxiety among the interviewees about the organization's future direction and job security. It also hindered their ability to approach the process constructively. The ambiguity regarding affected departments further intensified confusion among employees, making it difficult for them to prepare for potential changes.

While recognizing the legal requirement to include all potentially affected individuals in the scope, the interviewees emphasized the importance of thoughtful planning to minimize unnecessary stress. They suggested that if the organization could pinpoint which areas within the organization would likely face employment terminations, it would alleviate prolonged anxiety for employees not in the scope.

Furthermore, some interviewees found it unclear to which department certain individuals belonged, adding to confusion and stress. Additionally, during the negotiations, it became apparent that not everyone initially included in the scope was affected.

Moreover, eight interviewees expressed dissatisfaction with the lack of data or financial figures provided to support the reasoning behind the change negotiations, leading to distrust and skepticism towards leadership. The interviewees suggested that if the reasoning behind the change negotiation revolve around profitability, it should be demonstrated precisely how profitability is measured, considering the various contributions individuals make to the organization's success. Providing specific examples of what is intended by such discussions would enhance understanding and transparency.

Some interviewees also discussed, that initiating change negotiations conflicted with what had been earlier communicated, which increased the confusion and mistrust further. When the organization first is communicating for a long time how well the financial situation is, it is hard to grasp the sudden need of change negotiations.

> In the beginning, it was quite a shock that the negotiations started. It had just been announced that the organization had received a large amount of funding and that money was supposed to cover costs for years. I felt confident about my job, but then this bomb fell. It felt unfair and made me question that had I either been lied to before or was there some other reason for these negotiations than what now was mentioned. (Interviewee 12.)

Finally, four interviewees mentioned that the organization's leaders did not take responsibility for the reasons behind the crisis necessitating change negotiations. Instead, they attributed it to external factors like COVID and the Russian invasion of Ukraine despite these factors having no impact on the current business situation. The interviewees felt that global crises were used as an excuse to hide bad financial management and unsuccessful product launches. The employees questioned the reasoning, but the leaders did not change the narrative towards a more truthful version of the situation, which contributed further to distrust and speculation among employees.

Five out of twelve interviewees appreciated that the **communication during the change negotiations was very proactive** from the organization's side**.** The interviewees felt this demonstrated a commitment to transparency and openness, which helped build trust and confidence towards the organization in the difficult situation. One interviewee especially highlighted, that it was one less thing to stress about when one could be sure, that immediately when there is something to communicate the organization will do so.

The interviewees also expressed that proactive communication in timely manner probably helped the organization to avoid many rumors and speculation among employees, which could have led to unnecessary confusion and fear.

However, five interviewees highlighted a lack of proactive communication during change negotiations within the organization. This lack of communication made the interviewees feel ignored and undervalued, leading to a loss of trust in leadership. It also fueled anxiety and created resistance to change among the employees.

> Communication was reduced from the low level before to practically non-existent. (Interviewee 4.)

One interviewee also noted the stark contrast between the usual high level of communication and transparency before negotiations commenced, and the sudden decline in communication once negotiations began. This sudden shift left the employees feeling unsettled and perplexed.

Four out of twelve interviewees described that the change negotiations were characterized by **genuine engagement between the organization and its employees,** making the setting an actual negotiation and dialogue. In these cases, employees felt that their voices were heard, and their ideas were considered. This fostered a sense of inclusion and trust towards the leadership and impacted the Employee Experience positively. The interviewees also mentioned that the implementation of the change was less painful, since the outcomes were commonly agreed, or at least discussed.

> Our voices were heard throughout the negotiations. We had a lot of suggestions and ideas. If it was a topic that wasn't possible to comment on right away, it was always agreed that management will get back to us and when they will do so. The leaders listened to us really well and some of our suggestions were implemented. So, the final amount of people who lost their jobs was less than expected, because we found other solutions. (Interviewee 3.)

> There was an initial suggestion about how many people would have to leave. But in the end the number of people leaving was significantly smaller than expected, because we found together other ways to save costs. During the negotiations there was a lot of common discussion about where savings can be made. Small savings were found in all departments. (Interviewee 8.)

The interviewees with a positive experience of genuine negotiation dynamics explained that the organization promptly presented their initial plans, enabling employees to react accordingly. This practice of transparency and timely communication demonstrated the organizations willingness to follow the legislative aspects of change negotiations and involve the employees in the decision-making process.

However, four out of twelve interviewees described that the change negotiations completely lacked genuine negotiation dynamics. Employee suggestions were inadequately acknowledged, and the negotiation process did not align with established laws. The employees were denied options or the opportunity to engage in meaningful negotiation, resembling an announcement rather than a proposal or negotiation. In essence, the process involved merely counting days on the calendar, then actually starting a dialogue.

> There were no negotiations whatsoever. We just sat and waited for two weeks. The employ-ees tried to start a negotiation; I literally requested a negotiation session, but the organization declined it. It was like a game, where the organization tried to save time and deliberately kept information from us, because they did not want to negotiate. So, for me it felt pretty clear that there is no negotiation in change negotiations. (Interviewee 12.)

The lack of authentic negotiations led to disrespect and loss of trust, and increased anxiety about the uncertainty. It also started speculations; in two of the organizations the employees felt that the lack of negotiations was because the organization already had a predesigned plan on who they were going to lay off.

Additionally, two interviewees expressed criticism regarding the initial focus of the negotiations, which centered around the necessity to reduce costs, with administration being considered a cost. The interviewee argued that the discussion should have instead begun with strategies aimed at en-hancing team profitability, such as revising the pricing model for certain services.

Two interviewees noted a general lack of concern for legal compliance among executives. In both instances, there was one direct manager who demonstrated concern; however, this individual's ef-forts were deemed insufficient considering the neglectful behavior exhibited by C-level executives. Notably, in one of the cases the employees made a complaint after the change negotiations and the Finnish authorities confirmed that the organization had not followed legislative or negotiation practices during the change negotiations.

Two interviewees mentioned that the **person mainly responsible for the communication around the change negotiations was perfect for the role** and the main reason why the change negotiations, despite its unfortunate nature, did not affect their Employee Experience negatively. The person showed both clarity and consistency in the communication, as well as empathy and sensitivity to the emotions the situation created in the employees.

Four interviewees however mentioned that the primary person responsible for communication dur-ing the change negotiations was ill-suited for the role. This view did not stem from their official title or position, but rather from their lack of empathy, communication skills, and an inability to assume responsibility.

> The main responsible for the communication during the change negotiations was one of our business managers. In terms of position, he was the correct person, but based on abilities he was completely wrong choice. I wondered why the CEO didn't take care of this, who I found approachable and nice, and the contact would have been better with him. The business man-ager is a person who doesn't even greet employees when he sees them at the office. (Inter-viewee 7.)

The poor communication skills lead to misunderstandings, confusion, and misinterpretation of im-portant information, and the lack of empathy fueled resistance to change among the employees.

Overall, the interviewees reported negative impact towards engagement and trust, especially in situations where the communicator did not take responsibility of the organizations or their own actions and words.

The interviewees discussed the necessity for the organization to involve an external partner to manage the negotiations if the internal leadership lack the required expertise. One of the key reasons cited for seeking outsourced help in change negotiation leadership and communication was the expertise and experience that external professionals could bring to the table. Interviewees stressed that change negotiations are complex and delicate processes requiring specialized skills in communication, conflict resolution, and strategic planning. By engaging external consultants or experts, organizations could benefit from their knowledge and insights gained from handling similar situations in other contexts.

Furthermore, the interviewees pointed out that an external perspective could offer objectivity and impartiality, which might be lacking when internal leaders are directly involved. This objectivity could help ensure fair and transparent decision-making processes, minimizing biases and conflicts of interest that could arise from internal dynamics.

> The employer should have sought external help to handle the change negotiations since they were unable to handle it well or according to law themselves. Humanity must be remembered also in such situations, and communication skills are essential. (Interviewee 4.)

Transparency emerged as a recurring theme in the interviews, with interviewees emphasizing its importance in fostering trust and honesty within the organization. The interviewees stressed the importance of truthfulness, even when delivering difficult messages. Interviewees desired to be treated as informed equals capable of understanding and interpreting shared information. While recognizing legal constraints on communication, interviewees sought honesty within the legal framework and preferred organizations to openly acknowledge when communication is limited due to legal reasons.

> The basis for everything is that I find the organization reliable. Many things are built around trust, for example that the organization listens to the employees, and my message gets through when I have something to say. (Interviewee 7.)
>
> Openness and honesty are the most important attributes of a leader. I expect a certain directness, in a positive way, not twisting and turning and trying to cover up unpleasant things. A leader also knows how to discuss the challenges constructively. (Interviewee 12.)

Three out of twelve interviewees felt the leadership and communication was transparent and honest. They especially liked the open atmosphere; they were allowed to ask questions and always received open and honest answers. This built the trust towards the leadership and organization.

Half of the interviewees however reported a lack of transparency in the change negotiations, which affected their trust and motivation negatively. Furthermore, the interviewees expressed concerns regarding the honesty of leadership. Three interviewees reported instances where they caught the leaders lying when responding to questions from employees.

The perception of dishonest communication was derived from various factors. The interviewees noted that dishonesty in communication was not attributable to a single significant event but rather to numerous small occurrences over time. The interviewees mentioned observations regarding the behavior of key leaders and how they communicated with employees. The interviewees described a general atmosphere where negative aspects were often presented in a light-hearted or humorous manner, which they perceived as an attempt to spin the narrative rather than providing honest communication.

> The leadership was already bad before the change negotiations, but it got even worse. The leaders were lying, blaming others, and not answering questions if they were uncomfortable. We would have understood if they would have told us straight that this is a question they legally cannot answer, but it wasn't about that, they just did not want to be honest with us. (Interviewee 10.)

Three interviewees expressed confusion over discrepancies between the information presented to employees and the actual situation known internally. This misalignment created a sense of contradiction and distrust among employees, as they questioned why they were being presented with a different perspective from what they knew to be true.

The interviewees felt insulted and underestimated when leaders were dishonest in their communication. They agreed that honesty is a sign of respect for employees' intelligence and integrity, and dishonesty implied a lack of regard for their ability to discern the truth.

> In communication it is important that the organization values me enough to tell me the truth and trust the intelligence of the receiving part of the message. It is important that the justification of different decisions is made with information that can be trusted. Employees are smart enough to understand if the organization is trying to hide bad news under whipped cream and cherries. It is humiliating when the organization underestimates the intelligence of the employees. (Interviewee 5.)

As a summary, the leadership, change management and communication factors that impact the Employee Experience positively during change negotiations are illustrated in figure 12. The figure shows factors like emotional support, proactive communication and transparency and the impact it has when these factors are demonstrated; the employees feel valued and empowered, and it increases the trust towards the organization and understanding and acceptance towards the situation.
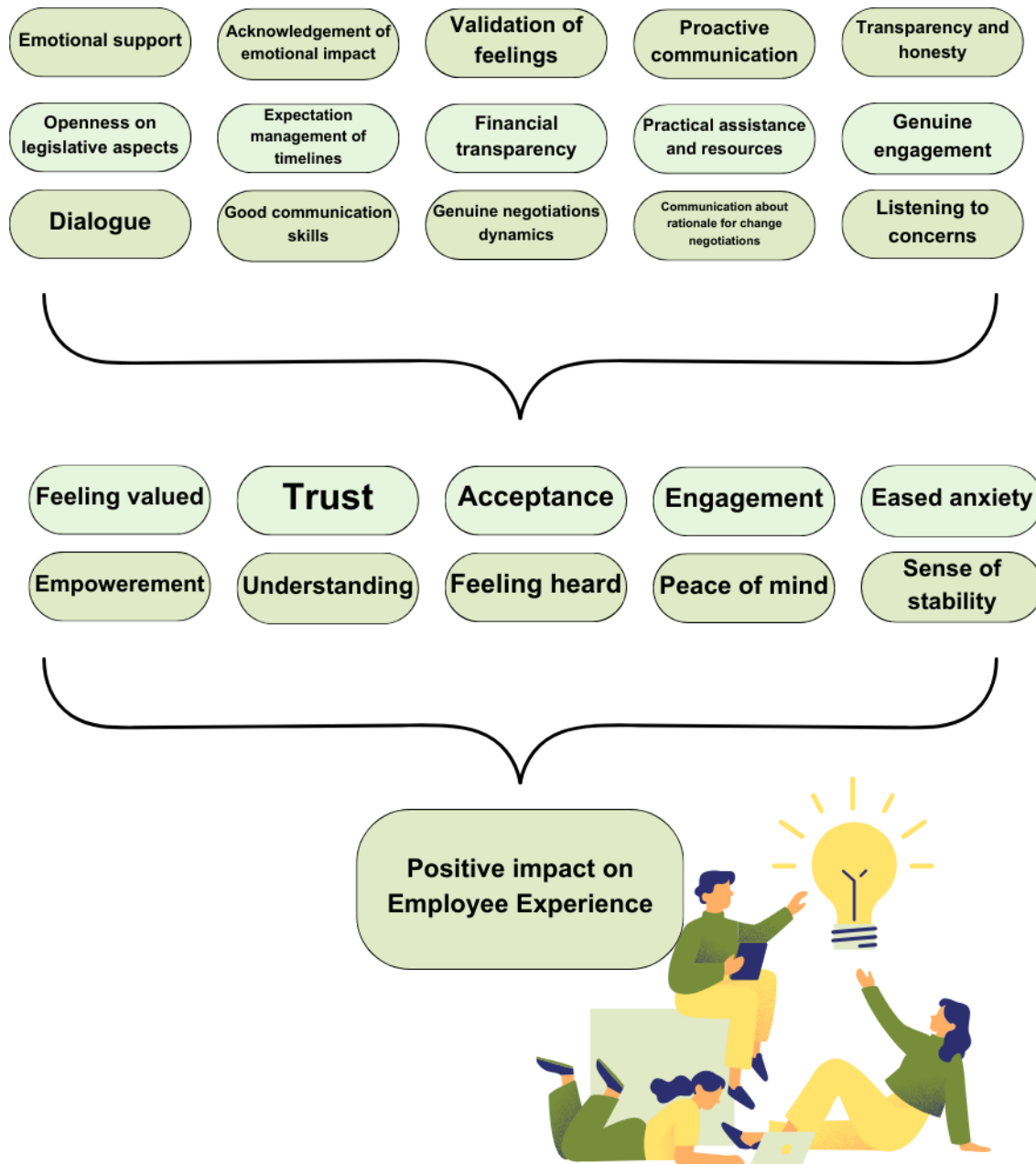
Figure 12. Positive impact on Employee Experience during change negotiations

Furthermore, figure 13 summarizes the leadership, change management and communication factors that impact the Employee Experience negatively during change negotiations, and shows factors like distant leadership, lack of transparency and absence of dialogue. When the negative factors are demonstrated in the organization it leads to uncertainty, stress, and distrust among many other negative emotions.

Lack of emotional support

Distant leaders

Leaders speaking unfavorably about employees

Inappropriate behavior

Manager lets own emotions set the atmosphere

Lack of performance management

Lack of addressing bad behavior

Unclear justifications for the negotiations

Inconsistency

Discrepancies between communicated and known truth

Lack of communication about legal obligations

Vague answers

Leaders do not take responsibility

Lack of proactive communication

Lack of dialogue and negotiation dynamics

Leaders do not care about following the law

Bad communication skills

Lack of transparency

Dishonesty

Questions are ignored

Uncertainty

Feeling powerless

Distrust

Stress

Anxiety

Lack of motivation

Higher workload

Confusion

Resentement

Misalignment

Feeling ignored

Resistance towards change

Feeling neglected

Diminished engagement

Feeling unvalued

Negative impact on Employee Experience

Figure 13. Negative impact on Employee Experience during change negotiations
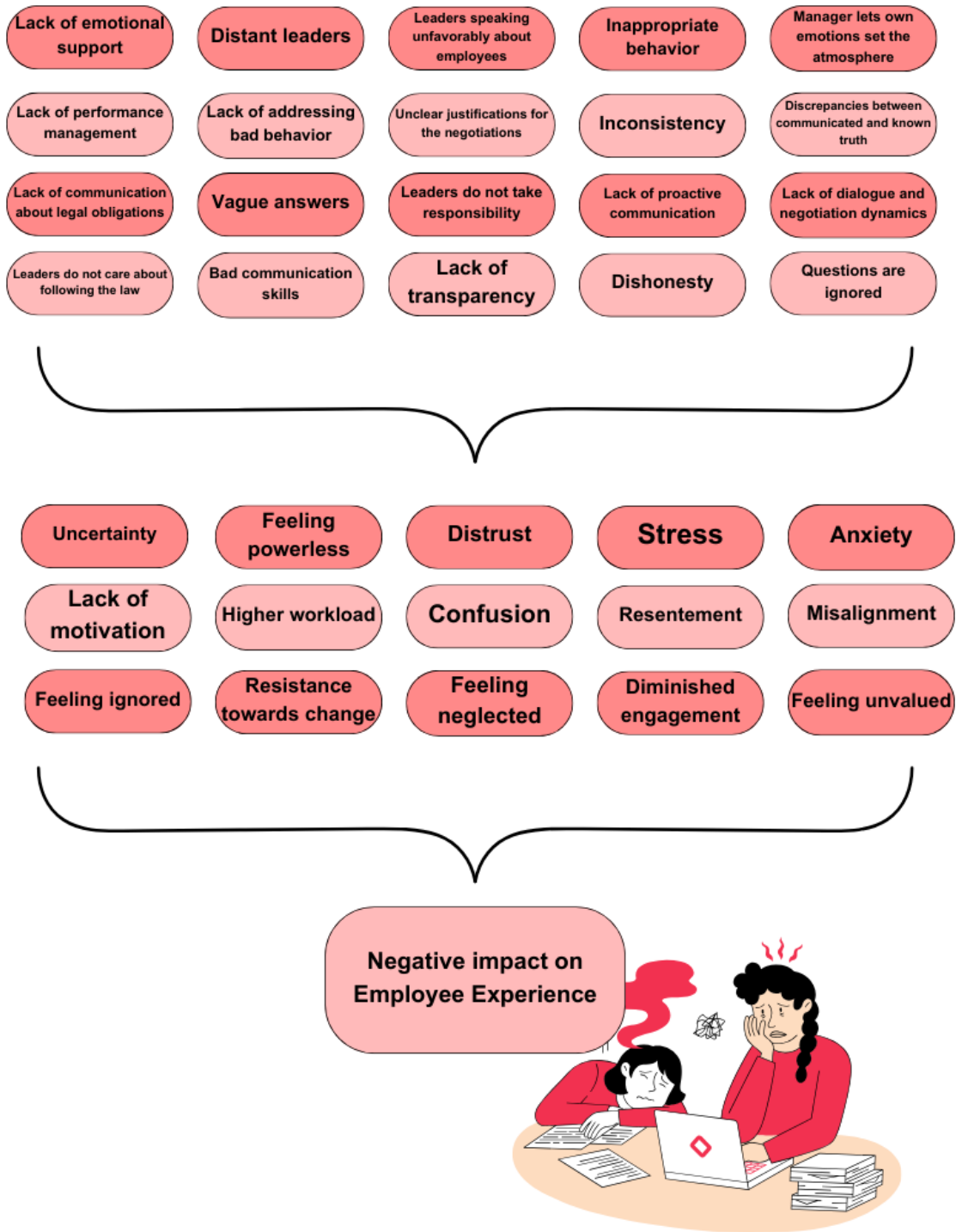
6.2   Employee Experience after the change negotiations

In this chapter the leadership, change management and communication aspects that impact the interviewees Employee Experience either positively or negatively after the change negotiations will be presented. When referring to "after change negotiations" it indicates the period starting from the day the results of the negotiations are disclosed to the employees and extending forward, particularly focusing on the time when employees who were losing their jobs remained within the organization.

The preceding chapter discussed the leadership, change management and communication elements that affected the Employee Experiences during the change negotiations. Some factors influencing the Employee Experience cannot be classified as occurring strictly during or after the change negotiations. These aspects are only presented in the previous chapter to avoid duplicates, and are emotional support and empathy, support from direct manager, expectation management, and dialogue.

The findings are categorized under leadership, change management, or communication. However, there are overlaps between these elements. Figure 14 illustrates the findings and their categorization. Dark blue denotes the primary category in the reporting, while lighter blue indicates areas where the theme may also apply.

	Leadership	Change Management	Communication
Behavior towards laid off employees			
Appreciation			
Rationale behind which employees were let go			
Exit management			
Importance of keeping remaining employees informed			
Redistribution of work			
Consideration towards remaining employees			
Feedback and dialogue			

Figure 14. Categorization of findings.

6.2.1 Leadership after change negotiations

The interviewees described that **how leaders treated the laid off employees** before their departure also affected the Employee Experience of those remaining in the organization. Four out of twelve interviewees reported that the communication after the change negotiations while the laid off employees were still working in the organization was not well planned or managed, leading to situations where the communication was very disrespectful towards the employees leaving. The key issue was that the communication was very future oriented with the twist, that now when we get rid of employees everything will turn better.

> People who had been given the notice of termination of employment were despite this forced to attend meetings where leadership talked about topics like next year's recruitment plans, growth plans, and the bright future. It sounded like the organization will rise from this now, like the laid off employees had been the obstacles for success. (Interviewee 4.)

This setting created feelings of betrayal amongst the employees who were about to leave the organization. Being forced to participate in meetings despite knowing they are no longer valued by the organization also affected their sense of dignity and self-worth. The interviewees emphasized

again, that even though they got to keep their jobs, the way their leaving colleagues were treated affected their own trust towards the organization and leadership very negatively. The interviewees interpreted that in a similar situation in the future they would be treated with similar disrespect, which combined with the empathy for their leaving employees, caused demotivation towards the organization for the employees staying.

The interviewees discussed that in an ideal scenario discussion about the future would occur only after laid off individuals have left the organization. However, there was an understanding that this is difficult to execute, since the termination periods can be up to six months long, and it is important for the remaining employees to discuss the future steps.

One interviewee recounted the final workday for terminated employees; none of the leaders were present, signifying a rushed and impersonal exit process. The terminated employees had only received an email with instructions on where and when they should leave their keys and laptops. The interviewee expressed concerns about this exit management style, impacting both departing and remaining employees and their trust towards the leadership very negatively.

Three interviewees however reported that the balance in the communication while laid off employees were still working was good. Everyone was invited to all meetings an included in all written information, but no one was forced to attend any meetings if they were not critical for the continuity of the operations. This created an atmosphere where the leaving employees did not feel set aside or as a burden.

The interviewees discussed that the communication while the leaving employees are still working is a complex matter, and they have understanding towards the organization that it can be hard to find a perfect balance between keeping the employees informed without burdening them. However, the importance of not forcing anyone who has lost their job to attend meetings where future growth plans are described was agreed among the interviewees.

After the change negotiations **additional workload was required from the interviewees, without corresponding appreciation** from the organization. Half of the interviewees mentioned their efforts where neither noticed in tangible ways, like salary, nor in any other forms of appreciation like showing gratefulness verbally. One of the interviewees highlighted that there was no appreciation of employees prior to the change negotiations either, so this lack of recognition was not unexpected.

The lack of appreciation added to the mental exhaustion the interviewees already faced during the change negotiations. It also impacted their motivation negatively when they felt their contributions

were not recognized or valued. This led to the interviewees starting to seek job opportunities elsewhere.

Three out of twelve interviewees additionally mentioned that existing benefits, such as sports and study benefits, were revoked due to cost-saving measures. Consequently, employees who remained in the organization found themselves burdened with increased workload without any corresponding salary increase or recognition, and they even lost their previously enjoyed benefits. This naturally led to extremely bad Employee Experience.

One interviewee however mentioned that when the cost savings were conducted, the focus was to not cut too much of the things that help the employee wellbeing. For example, the occupational healthcare contract was narrowed but not in a way that reduce the services, but by changing insurance, the employee receives treatment at the same level, but the costs are lighter. The organization has also mentioned that they will not cut sports or lunch benefits, or any education benefits.

None of the interviewees could recall that they would have been thanked or praised for their resilience during or after the change negotiations. A few interviewees however pointed out a perceived inequality in the way the organization showed appreciation to its employees. Specifically, two interviewees remembered instances where employees, whose performance was deemed below average, received salary increases after threatening to resign. Another interviewee highlighted a situation where one employee received a raise while another was asked to take a salary cut for the collective benefit.

6.2.2   Change management after change negotiations

Half of the interviewees questioned the **rationale behind the selection process** determining which employees were retained and which were let go. According to their observations, some individuals who remained in their positions were perceived as both lacking in competence and exhibiting negative interpersonal behaviors, while competent and valuable employees were let go.

Concerns were raised regarding the criteria used by managers to make these decisions. Interviewee expressed uncertainty about whether the selection process was random, based on financial metrics, or influenced by the tendency to dismiss employees who voiced complaints. This lack of transparency in the decision-making process contributed to negative team dynamics, as noted by two interviewees who identified it as a primary cause of interpersonal conflicts and gossip within the organization.

> I am not sure how the managers decide whom to let go, if they just choose randomly 10% of the employees, or if they look on financial figures, or just decides to get rid of the team members that complain the most. (Interviewee 9.)

Unclear reasoning leads to speculations and five out of twelve interviewees reported the perception that change negotiations were used as an excuse to terminate contracts of unwanted employees. While none of the interviewees provided concrete evidence to substantiate this sentiment, the focus remains on Employee Experience, and it is crucial for organizations to communicate in a manner that limit such speculation.

> Years ago, it was mentioned in another discussion that our age diversity is quite bad, that we would need to even it out. It has been said out loud, that we can't be in a situation where half of the personnel will retire within five years. These things are never mentioned during change negotiations because age can't be a justification in the negotiations. But when you hear these things along the way they stick in your thoughts. (Interviewee 5.)

> You were able to read between the lines that there were people the organization had wanted to get rid of for a long time, and now they could thanks to the change negotiations. (Interviewee 11.)

A few interviewees expressed surprise among employees regarding the selection of individuals for termination of employment, noting that those with significant responsibilities were let go while less pivotal employees remained. This discrepancy led to perceptions that decisions were influenced more by personal factors rather than professional roles.

One interviewee noted a similar occurrence in a subsequent round of negotiations affecting a different department. In this instance, an employee loudly advocating for additional resources and training resources was the only individual laid off in the change negotiations, and no other cost saving measures were taken.

Three interviewees highlighted that the underlying issue is not that the organization wants to part ways with certain employees, acknowledging the potential negative impact of some employees on efficiency and workplace culture. The main issue is the mistrust stemming from the use of change negotiations for such purposes. This interviewee emphasized the importance of effective leadership in addressing these situations without subjecting entire departments to prolonged stress and uncertainty in form of change negotiations.

Half of the interviewees highlighted that the primary source of stress after the change negotiations stemmed from the **inadequately managed departure of laid off employees**. Firstly, the laid-off employees who were discontent with the outcome demonstrated it with reluctance to perform their duties their remaining time in the organization, causing extra workloads for the other employees. Even though the interviewees had understanding for this reluctance, they expressed dissatisfaction with leadership for not interfering in the situation. In addition to the negligence of tasks, some employees were acting very bad towards their team members, not answering calls or messages, and speaking rudely, and especially this behavior should have been addressed by leadership.

Secondly, the organization had not planned and did not manage the information sharing from the leaving employees in any way. Since proper communications plan were not established, vital information was not shared with the remaining employees who were tasked with continuing the work of those who departed. Lack of information sharing hindered the efficiency and effectiveness of the team, causing stress and confusion among the employees who were left to pick up the pieces.

The interviewees discussed that strategic exit planning is essential to facilitate a smooth transition for the remaining employees who must absorb the workload of their departing colleagues. The interviewees elaborated that a well-coordinated exit plan would have mitigated disruptions to ongoing projects and workflow, enabling the remaining employees to concentrate on their core responsibilities without being overwhelmed by abrupt changes or skill gaps. Additionally, two interviewees emphasized that managing the exit process professionally fosters a sense of trust among employees, underscoring the significance of organizational professionalism in handling employee transitions.

> It is important to manage the exit process. How to lead employees out of the organization taking into consideration both the leaving employee, the organization, and the employee who stays in the organization. The organization must ensure the contributions of the employee does not disappear simultaneously when the person walks out the door. (Interviewee 2.)

Two interviewees were pleased with how **well-informed** the organization kept the employees staying in the organization. Upon the conclusion of the negotiations, the new organizational structure and what it meant for the employees were clearly communicated. The interviewees felt that the proactive approach in communication towards the remaining employees helped dispel possible rumors and ensured that the employees received accurate information directly from the source. They also felt that it showed that leadership recognized the impact of change negotiations on the remaining employees' lives and is committed to keeping them informed and supported throughout the process.

Six interviewees however highlighted that the information they received post-negotiations was minimal. Some interviewees described that the only official communication was one email where the organization mentioned that the negotiations are over and individuals who are being laid off have received the information directly. The interviewees criticized, that no specific information sessions or support mechanisms were provided for those remaining within the organization. While departing employees received more detailed information, those staying were left to navigate the transitions on their own. This lack of support and communication left many feeling isolated and uncertain about their roles within the evolving organization.

The interviewees wished the organization would have understood how radically the change negotiations also affect those staying in the organization and had set up information and discussion

sessions accordingly to go through everything essential from the new structure and work distribution to employee's emotions.

Two interviewees also mentioned that they would have wanted some tools from the organization on how to move forward after the changes.

> I would have appreciated some tools on how to get back to normal work-life after the experience. (Interviewee 6.)

Four interviewees described that the **redistribution of the work of the laid off employees was done in dialogue and mutual understanding.** This made it easier to commit to the changes, and built trust between employees and leadership, fostering a positive organizational culture built on mutual respect and collaboration.

> We discussed together how to divide the projects; it is part of our culture to agree together on such things. The starting point of the discussion was that managers asked if I have the possibility to take more work, and we have an open atmosphere where you are allowed to say no. (Interviewee 6.)

Other interviewees described that the redistribution of work was done without any sorts of dialogue or consensus. Three interviewees described a significant decline in motivation following the change negotiations due to being burdened with excessive tasks that did not align with their roles. Moreover, the interviewees were not provided with needed information about customers and other relevant topics, since the organization had not planned or managed the knowledge sharing or departure of terminated employees.

> Because how bad the exit of employees was handled, my motivation decreased a lot after the change negotiations. I was left with a lot of work tasks that didn't really belong to me. All the crap landed on my table since so many in the organization knew me, and I got to do the work of five people. (Interviewee 2.)

> Some people were without dialogue given tasks that did not suit their role or expertise, without any training or guidance. Naturally, these employees were not happy with the outcome, and resigned proactively very shortly after this. (Interviewee 10.)

Eight out of twelve interviewees sensed a **rush to move forward** after the change negotiations, with leaders neglecting the fact that a crisis like that has an impact on the organization and the employees. The interviewees mentioned that the change negotiations process unfolded rapidly, perhaps out of a desire to minimize its impact on the organization's morale. The interviewees felt however somewhat abandoned, but also that it was like the laid off employees were just forgotten about immediately. The leadership's response to the whole situation lacked empathy and was primarily focused on promoting a positive outlook for the future, without acknowledging the impact of the recent terminations. There was a sense that the organization wanted to quickly move on and forget about the recent layoffs, treating the situation as business as usual.

> It was as if the organization wanted to forget they had fired people. The communication narrative was that let's just move forward and not dwell in the past and use time to discuss unpleasant things. It all felt fake and disrespectful. (Interviewee 7.)

> It was directly business as usual from the organization's side. The whole vibe was, that now the matter is taken care of when we fired those people, and they can be forgotten. It seemed very cold-hearted. H2

The interviewees discussed that even though they understand the importance of not dwelling in negativity and the past, this kind of positivity felt very toxic. While the employees were still in desperate need of comfort and dialogue, the organization only focused on creating a narrative about a wonderful future as the negotiations had never happened.

Three interviewees also mentioned that when they tried to discuss the changes and their emotions with leadership their need of dialogue was ignored and they were requested to stay positive, concentrate on the customer, move forward, and work hard.

6.2.3 Communication after change negotiations

Nine out of twelve interviewees noted the organization's **lack of dialogue or collecting feedback** from employees who remained in the organization following the change negotiations. The interviewees expressed a sentiment that actively requesting feedback and transparent communication would have greatly helped the processing of negative emotions stemming from the change negotiations. They indicated that unresolved negative emotions led to decreased Employee Experience and lowered the motivation.

Additionally, the interviewees highlighted the potential for fostering a positive atmosphere through the acknowledgment and implementation of feedback, no matter how minor.

Three interviewees recounted instances where employees attempted to provide feedback proactively but encountered a lack of responsiveness or acknowledgment from leadership. Furthermore, it was mentioned that an existing feedback collection tool within the organization was discontinued during and after the change negotiations to prevent a potential decline in Net Promoter Scores (NPS) and other metrics. This decision was met with dissatisfaction among employees, who viewed the anonymous feedback mechanism as crucial, particularly during times of crisis such as the change negotiations.

The interviewees agreed that the organization should have actively sought feedback, preferably through individualized discussions with employees to address emerging feelings and concerns arising from the negotiations.

> The organization should have asked for feedback. There should at least have been some one-to-one discussions with the employees who stayed, to go through what feelings arise

> from the negotiations. Finnish leadership is too often that the management thinks they know everything, and feedback is not asked and if asked, it goes in the trash right away. (Interviewee 2.).

> It would have helped a lot if we would have been asked for feedback and the communication would have been open, so we would have had a chance to process the negative emotions. Since we never dealt with them, they were left in the back of your head and bothered you. It would have helped the atmosphere a lot if feedback was asked and you could notice some, even small, actions based on that feedback. I didn't really care about pizza parties and after works at that point, I just wanted direct and open discussion. (Interviewee 12.)

However, two interviewees offered a contrasting perspective, suggesting that the absence of explicit requests for feedback might stem from an already established open atmosphere within the organization, where discussions and feedback are regarded as routine occurrences. They speculated that leaders might have perceived no necessity to expressly solicit feedback regarding the change negotiations.

As a summary, the leadership, change management and communication factors that impact the Employee Experience positively after the change negotiations are illustrated in figure 15. The factors include, among others, validation of feelings, clear communication of the outcome, and proactive communication to the remaining employees about practicalities and the future. When these factors are demonstrated the employees have less anxiety and feel supported, which has a positive impact on commitment to change, collaboration, acceptance, and engagement.
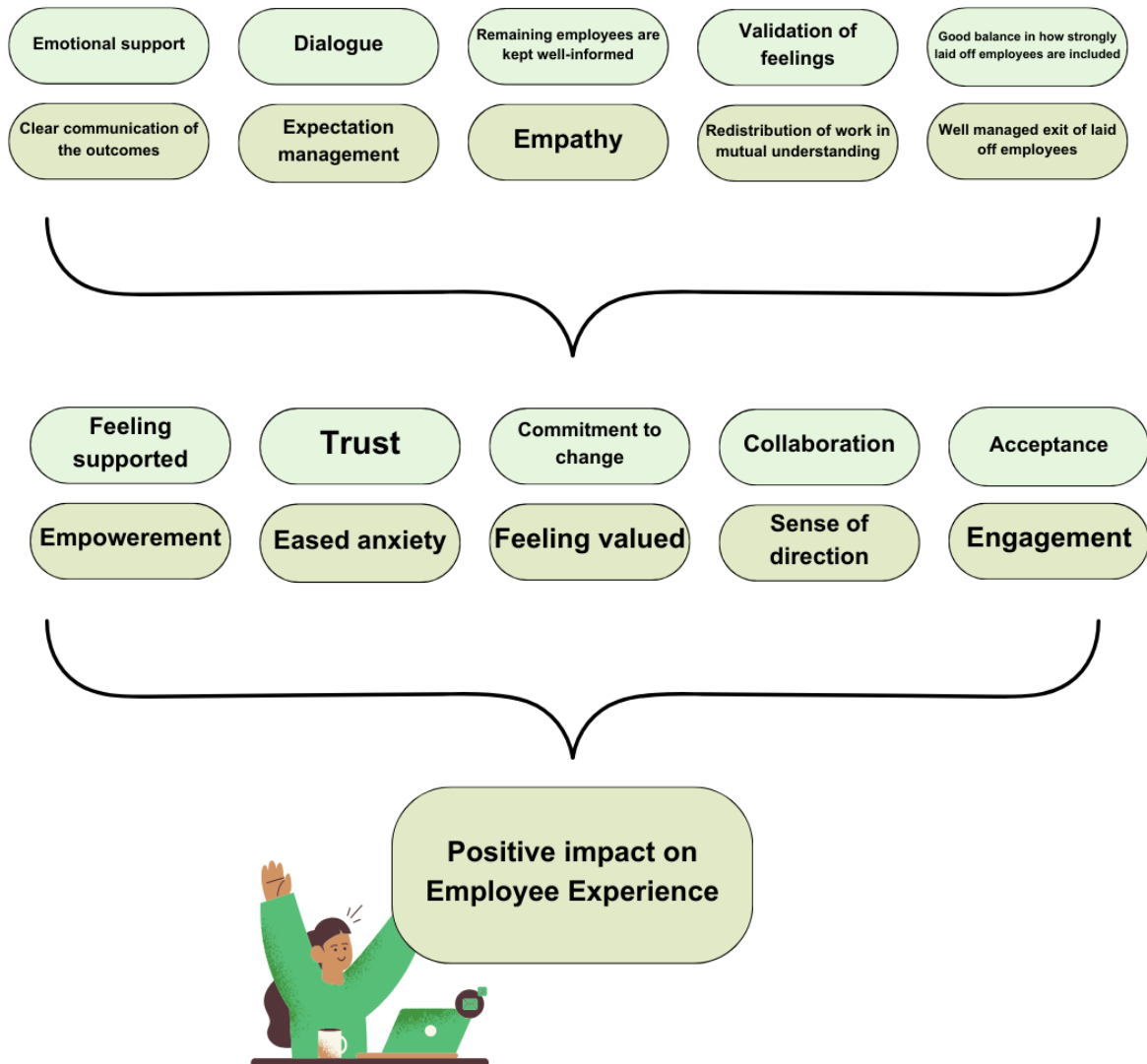
Figure 15. Positive impact on Employee Experience after change negotiations

Furthermore, figure 16 summarizes the leadership, change management and communication factors that impact the Employee Experience negatively during change negotiations, and shows factors like lack of appreciation, a rush to move forward, and lack of proactive communication. These factors lead to several negative emotions, amongst them stress, resentment, and distrust.

Figure 16. Negative impact on Employee Experience after change negotiations

6.3 Effects of change negotiations

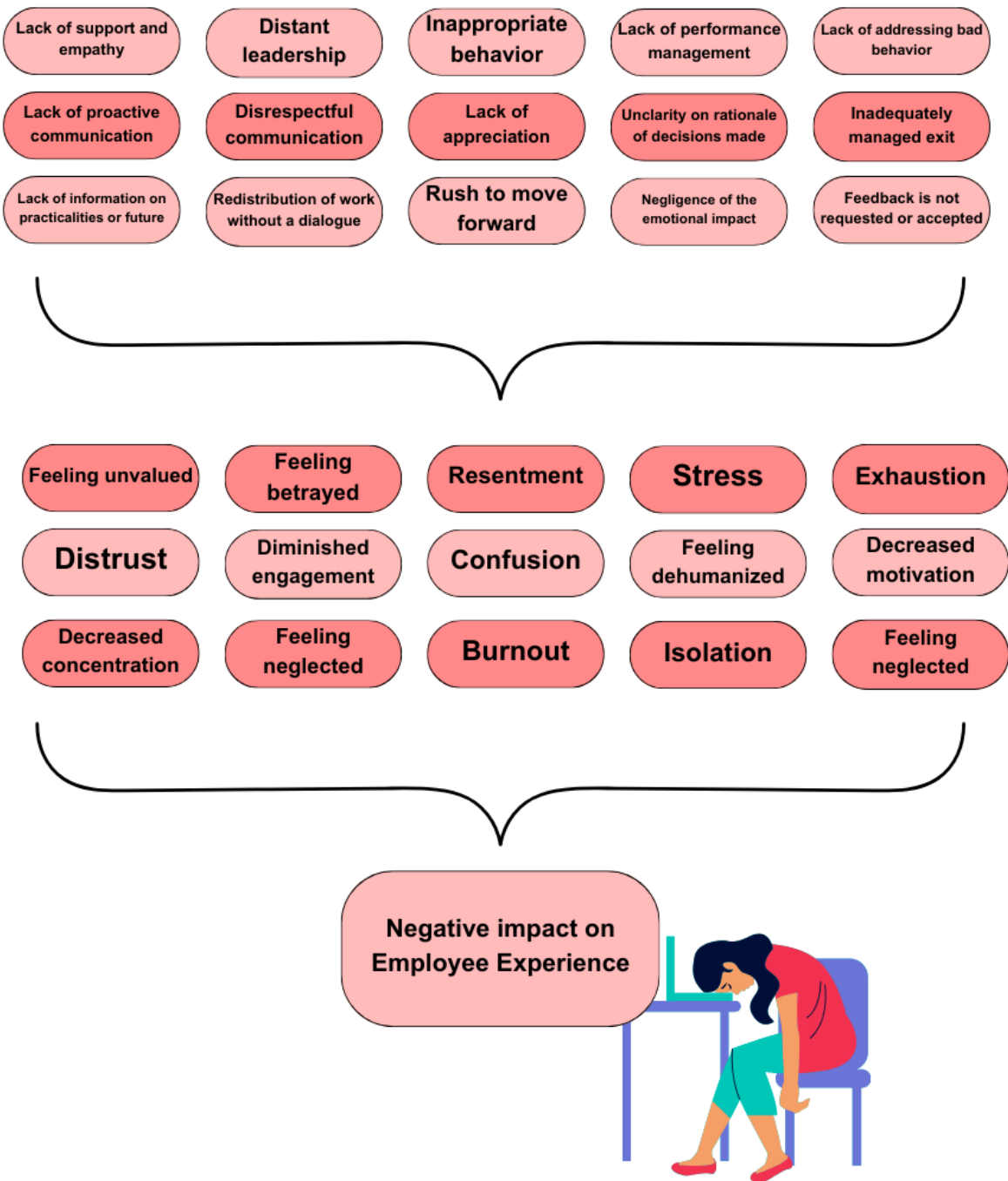Change negotiations impact significantly both organizational dynamics and the experiences of employees who remain within the organization. Even though remaining employees get to keep their job, the trust towards the organization depends heavily on how the change negotiations were managed. This chapter delves into the impacts of change negotiations on both the interviewees and the organization, illuminating the multifaceted consequences of such transformative processes.

Figure 17 summarizes the effects the change negotiations had on the motivation, efficiency, trust, and long-term career aspirations of the employees as well as on the organizational culture and team dynamics.
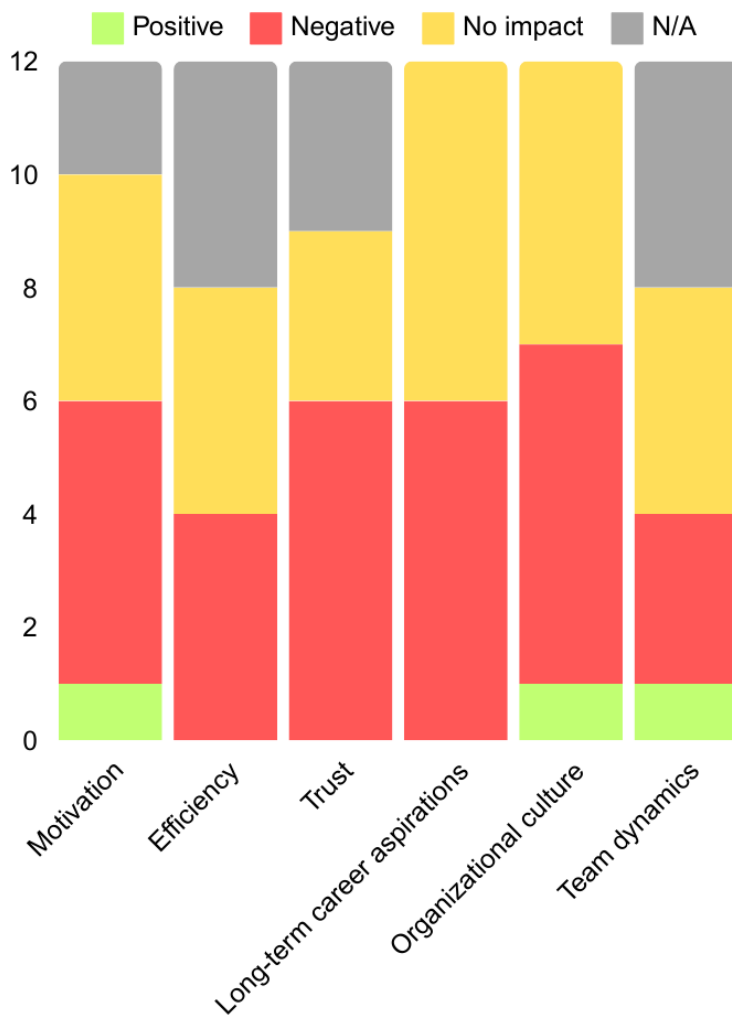

Figure 17. The effects of the change negotiations on employee experience and culture

6.3.1 Effects on motivation and efficiency

Five out of twelve interviewees mentioned a decrease in motivation during the change negotiations. Although they were happy with the opportunity to remain in the organization, it took some time for their motivation to return to its pre-negotiation level.

Four out of twelve interviewees noted that change negotiations had no impact on their motivation or efficiency. All of them however mentioned that this was due to their strong commitment to performing their best regardless of circumstances.

> I always do my job the best I can, it is who I am as a person; if you do something you should do it well. So, the change negotiations did not affect my efficiency or quality of my work. But the stress and anxiety were hard, I did not feel mentally very well during that period. (Interviewee 10.)

Four interviewees reported a decrease in efficiency during the negotiations, despite their efforts to remain focused. One interviewee struggled with the tendency to overthink change negotiation related things instead of maintaining full productivity. Two interviewees also observed a significant increase in sick leave within their organization during and after the change negotiations.

One interviewee mentioned that their motivation surprisingly increased slightly after the negotiations due to positive changes brought about by the negotiations. The interviewee viewed the outcome and actions of the negotiations as an opportunity for growth and better performance. Additionally, one interviewee described that even though the change negotiations were stressful, it is possible to also see some opportunity in them, citing past experiences where change negotiations led to new roles within the organization.

6.3.2 Effects on trust towards organization and leadership

Half of the interviewees mentioned a decline in their trust towards the organization and its leadership due to the leadership, change management and communication exhibited during and after the change negotiations.

Three interviewees mentioned that their trust in the leadership was already significantly compromised before the change negotiations, decreasing further during the process. One interviewee underscored leadership's perceived lack of professionalism and crisis management skills as the primary cause. Another interviewee highlighted the absence of accountability from the leadership, which destroyed confidence in their decision-making. Additionally, one interviewee criticized the leadership's apparent misuse of change negotiations as a means to lay off unwanted employees rather than for genuine organizational restructuring.

Three out of twelve interviewees stated that the change negotiations did not affect their trust negatively. Two of these interviewees mentioned the main reason was the organization's consistent transparency in communication throughout the change process. One interviewee rationalized their unchanged trust by contextualizing the change negotiations within the backdrop of the COVID-19 pandemic, acknowledging the organization had to react to an external factor.

6.3.3 Effects on long-term career aspirations in the organization

Half of the interviewees mentioned that the change negotiations affected their long-term career aspirations in the organization and pushed them to start looking for a new job.

Many of the interviewee noted that almost all the employees began applying for new positions immediately after the announcement of the negotiations, because the lack of specificity from the organization regarding which teams would be affected led to concerns about potential job loss. Moreover, the interviewee criticized the poor leadership and communication during the negotiations, highlighting that many colleagues spent a significant portion of their work time searching for new opportunities.

The interviewees expressed various reasons for considering leaving; instances of dishonesty, tolerance of misconduct, poor decision-making, and a lack of accountability were cited as factors that could lead to a loss of respect for leadership and furthermore applying for jobs elsewhere.

While some interviewees acknowledged they are satisfied with their current roles and the employer in general, they admitted that the change negotiations prompted thoughts about their future. Despite performing well in their roles, the uncertainty surrounding job security became apparent, leading to contemplation about potential outcomes. Witnessing colleagues being laid off served as a stark reminder that job performance does not guarantee job security.

> I have been happy with my job, so I haven't looked elsewhere. But of course, change negotiations make you think. I don't know what will happen tomorrow. No matter how well you handle your own tasks, you might lose your job. When you see which people have been laid off, it gets so clear that being good at your job does not guarantee anything. (Interviewee 6.)

Five interviewees shared that many highly skilled professionals within the organization swiftly initiated job searches and successfully secured new positions elsewhere, which led to a spiral where the rest also started to apply for new jobs.

Some interviewees rationalized, that no workplace is perfect, and the situation is good enough to not try to find happiness elsewhere.

> At this point in my career, I already have an understanding that there can't be an ultimately perfect situations where you would like everything. The narrative these days is that your

workplace needs to be perfect, or otherwise you need to leave and chase your dreams. But all jobs include some aspects that aren't perfect. In the big picture, everything is ok. (Interviewee 5.)

6.3.4 Effect on organizational culture and team dynamics

Organizational culture consists of the values, beliefs, attitudes, systems, and rules that shape and guide employee behavior within a company. This culture affects how employees and other stakeholders perceive and experience the organization and its brand. (Green 2017, chapter 2.) Half of the interviewees reported that the change negotiations had a negative impact on the organizational culture.

Two interviewees recalled that the change negotiations led to increased negativity and division within the organization, splitting it into two factions. One faction, closely aligned with management, cultivated a culture of favoritism, disregarding the organization's collective interests, while the other, tried to concentrate on their work and reshaping the atmosphere among all the employees. This division widened the gap between the organization and its employees, fueling rumors, gossip, and speculation about the change negotiations.

Moreover, four interviewees mentioned the failure to learn from past mistakes, as the organization continued to be poorly managed, resulting in large turnover within six months. This lack of improvement affected the overall efficiency of the team. The prolonged negotiation period of six weeks fostered uncertainty, leading to varying impacts on productivity, including many employees ending up on sick leave. The rebuilding process was not always fruitful, contributing to ongoing challenges within the organization.

The interviewees also discussed that following the initial negotiations, there was no observable change in the organizational culture, which was concerning to them. They anticipated a more humane atmosphere post-negotiation. It was noted that the entire negotiation process was brushed aside, and business continued without apparent alteration.

> After the first change negotiations, the culture did not change in any way, which I found alarming. I expected that after the negotiations the atmosphere would have become more humane. And the strangest thing is that the entire negotiations were passed with a shrug and then back to normal work. If a crisis like change negotiations won't change anything in the company, then there is no point waiting that anything else will push the positive change either. (Interviewee 12.)

One interview mentioned that while the change negotiations were managed very poorly, the ultimate outcome was beneficial for the organization, since employees with low motivation or performance were let go, necessitating process changes.

> In the end the change was good, even though the change negotiations as a process was screwed up. People whose motivation or execution was bad left, and with that it was necessary to change processes. But that work is still in progress, but at least now there are no two overlapping organizations which tries to get their processes working together even though they don't. (Interviewee 2.)

However, one interviewee raised the irony in that ultimately nothing changed. Despite initial promises of change due to certain factors, year after year, the same issues persist. The implementation of change remains lacking, and then the same problems are tried to be tackled in the next change negotiations.

The interviewees also discussed whether it is appropriate to organize parties and other fun activities shortly after the change negotiations and how this affects the organizational culture. Two interviewees mentioned that there were attempts by the organization to organize social gatherings after the layoffs, but these efforts were met with reluctance from employees. It felt awkward when leaders participated in such events without acknowledging the recent layoffs.

Three interviewees mentioned that the summer or Christmas party was held very soon after the change negotiations and expressed mixed feelings about these social activities. On one hand, they provided an opportunity for employees to bond and relieve stress, in settings like sauna evenings. However, the combination of layoffs and celebrations evoke melancholic feelings, particularly if colleagues from one's own team were affected. Nonetheless, the interviewees recognized the need for a sense of direction and purpose following layoffs, however questioning whether parties were the appropriate response.

Four interviewees highlighted, that though the overall atmosphere in the organization was not great, the change negotiations did not adversely affect team dynamics. They noted that the team already had a strong bond, allowing individuals to understand and accommodate each other's reactions to the negotiations. In some cases, the crisis even strengthened the team bond further. Since cooperation was integral to the team dynamics, there was no sense of competition among employees.

However, three interviewees mentioned that the negotiations had a negative impact on team dynamics. They emphasized the leaders' responsibility in ensuring positive behavior within the team, noting instances where certain employees' attitudes added to the stress, particularly for those diligently carrying out their responsibilities. The prolonged notice period of six months was also highlighted as a factor contributing to negative team dynamics.

In the next chapter the main findings and conclusions derived from them will be presented. Additionally, it will discuss the practical applicability and broader relevance of the research findings, as well as considerations of reliability and ethical implications.

7 Discussion

In this concluding chapter the main findings of the study and the conclusions derived from them will be presented. Additionally, it will discuss the practical applicability and broader relevance of the research findings, as well as considerations of reliability and ethical implications.

As was introduced in chapter one, the objective of this research-oriented thesis was to research how leadership, change management and communication during and after change negotiations impact the Employee Experience of those remaining with the organization following the negotiations. Answers to the research questions of the thesis were sought with the help of literature, previous studies and research conducted in connection with the thesis.

To address the objective, the following questions were researched:

Q1: How does the Finnish law impact leadership and communication practices during change negotiations?

Q2: What leadership, change management and communication factors impact the Employee Experience during change negotiations?

Q3: What leadership, change management and communication factors impact the Employee Experience after change negotiations?

Q4: How does change negotiations impact the employees who remain with the organization after the change negotiations?

The outcome of this research is valuable for both organizations and individuals and concretely applicable in organizations. Fostering a positive Employee Experience is especially important during times of change and crisis. When employees are laid off, employers must prioritize supporting the remaining employees and retaining top talent, to ensure short-term business continuity.

Finnish research (HRM Partners 2014) reveals that while most of the organizations perceive their change negotiation processes as successful, only a mere 20% of the employees affected share this sentiment. This shows a notable expectation gap in what employees expect from employer in change negotiations and what the organizations deliver. The results of this research can narrow this gap if organizational leaders familiarize themselves with the conclusions and act accordingly.

Chapter 7.2.3 presents a list of ten actionable guidelines for organizations to consider before initiating change negotiations. Leaders can use this information to adopt practices that foster a positive Employee Experience during and after change negotiations, but it can also with slight adaption be

applicable to other change initiatives and guide organizational practices. By doing so, the organizations can boost positive Employee Experience, leading to higher motivation and wellbeing and retaining valuable talent, which is crucial for maintaining organizational stability and continuity.

As presented in chapter 3.2 and figure 5, great Employee Experience impacts the organization positively in multiple ways, such as increased productivity, profitability, innovation, customer satisfaction, and revenue. (Morgan 2017, 164; Sulaiman, Abdullah, & Man 2023, 238-241; TechTarget 2023.) Hence, if organizations follow the guidelines derived from this research, they value is not limited to a better Employee Experience, but also potential organizational success.

It is also worth highlighting, that there were more willing interviewees than could be included in the study. This shows that the topic is important to the employees who have faced change negotiations, and organizations should be willing to adapt positive factors to enhance the experience.

7.1 Review of the research and ethical aspects

In the research of this thesis, twelve individuals were interviewed, all of whom had experienced change negotiations with the outcome that they got to keep their position in the organization. Even though that is a commendable amount for a Master's Thesis, it is still a relatively small number in the whole, which makes the generalizing of the conclusions limited. However, the viewpoints of the interviewees largely align with existing research on the topic, thus reinforcing the validity of these conclusions. Not all interviewees were asked the exact same questions, as the interviews followed a semi-structured thematic approach, allowing the conversation to evolve based on the perspectives raised during the interview. This factor contributes to a reduction in the number of responses to specific questions, thereby limiting the generalizability of the results and conclusions. It is also worth noting, that interviews typically concentrate on the past, and they are the perceptions of the interviewee, and what is told might not be the objective truth. The interviewee tells their story with their own words, which also leaves room for interpretation (Kananen 2014, 70-71).

Life experience often influence research. While this can introduce biases, it also provides valuable insights. Personal experience can uncover aspects of the topic that has not been addressed in academic discussion before or make the researcher question existing explanations and notice gaps and inconsistencies in current theories. (Galletta & Cross 2013, 11-12.) I have personally experienced change negotiation, and my experiences, especially concerning leadership factors, have not always been positive. Before starting with the interviews, I took time to reflect on how I framed the interview discussions and the attitude I brought to the setting, to ensure my personal experience would not affect the direction of the interviews. Ultimately, I aimed to maintain neutrality throughout the process. Although some topics shared by the interviewees were disheartening, I made a

conscious effort not to let my emotions show. Instead, I asked open-ended questions and avoided steering the discussion towards any specific area.

Research ethics emphasizes issues related to the protection of research material and subjects. (Kuula 2006, 25.) Before conducting the interviews for the thesis, all interviewees received an email outlining the research's objectives, purpose, and scope. The email also included information about how the data collected in the interviews would be handed confidentially and securely. These same details were reiterated and confirmed with each interviewee during the interview session prior to delving into the topic. In presenting the research findings, care was taken to ensure individuals could not be identified; direct values or any other details potentially leading to the identification of the organization were not cited.

This thesis has successfully addressed all the research questions, and the research has resulted in concrete findings that provide valuable insights. The aim of this thesis was to offer actionable insights for organizational leaders on how to navigate change negotiations in a way that creates the best possible experience for employees under the circumstances. These results are not only robust but also highly applicable in organizational contexts. The research has thus achieved its objectives, offering practical recommendations that can be readily implemented to enhance the experience during and after change negotiations. This list of these recommendations is presented in chapter 7.2.3.

The following chapter presents the conclusions on which leadership, change management, and communication factors impact the Employee Experience during or after change negotiations, as well as the nature of these effects.

7.2 Conclusions and suggestions for future research

Most of the conclusions in this thesis are based on the findings from the research interviews. The findings are presented in chapter six, and in this chapter the main conclusions will be summarized.

7.2.1 Legislative framework

The first research question of this thesis is "How does the Finnish law impact leadership and communication practices during change negotiations?" The reason to include this research question in the thesis was to recognize that the Employee Experience during change negotiations is affected by various factors, some of which are outside the organization's control, before delving into the voluntary aspects.

This research question is answered in chapter two, where the impact of Finnish legislation on change negotiations is described and will not be cited again. However, a few aspects are worth highlighting.

First and foremost, the new Co-operation Act emphasizes the importance of fostering genuine collaboration and dialogue between the organization and its employees (Paanetoja & Salminen 2023, 4). However, interview findings reveal that most organizations failed in this regard. Instead of promoting dialogue and authentic negotiation dynamics, organizations issued orders while employees remained in a passive, receiving role.

Furthermore, it is important to highlight that although employees are entitled to receive necessary information for the negotiations, final decisions cannot be made during this dialogue period. Consequently, the organization cannot provide details about individuals who may be affected by potential layoffs or the final outcomes until negotiations are completed. Additionally, under Section 40 of the Co-operation Act, the organization is prohibited from disclosing confidential information, including personal details about individual employees. (Hietala & Kaivanto 2022, chapter 7.) Therefore, the representatives of the organization might not always be in position to answer questions of the employees, even though they in a normal setting would be advocates for transparency. However, as the interviewees mentioned, it is important that the organization articulates clearly that they cannot answer questions, instead of avoiding them or lying.

The third point worth highlighting is that the interviewees in the research could not discuss the legal aspects in depth because these were never explained to them during the change negotiation process. While some had conducted their own research, overall, communication about legislative aspects was inadequate and knowledge of the organization's responsibilities and employee's rights was very limited. To discuss if this is a conscious decision by organizations to retain power and control, or just a lack of understanding of the importance to communicate the matter would just be based on speculations. Probably the truth lies somewhere in between and there are both organizations that withhold information strategically and others that do it in lack of better understanding.

7.2.2 Change negotiations and Employee Experience

The three remaining research questions address how leadership, change management and communication during and after change negotiations affect the Employee Experience of the remaining employees. The questions are phrased as below and will be answered in this chapter. The findings to these research questions are presented in chapters 6.1, 6.2, and 6.3.

Q2: What leadership, change management and communication factors impact the Employee Experience during change negotiations?

Q3: What leadership, change management and communication factors impact the Employee Experience after change negotiations?

Q4: How does change negotiations impact the employees who remain with the organization after the change negotiations?

All the leadership, change management, and communication factors that impact the Employee Experience **during change negotiations** are presented in chapter 6.1. The positive aspects are visualized in figure 12, and the negative aspects in figure 13.

The key factors to a positive Employee Experience during change negotiations are proactive communication, dialogue, transparency, and emotional support. By demonstrating these factors, organizations signal their commitment to fostering an environment of trust and openness. Crucially, this extends to discussions surrounding legislative aspects and delineating areas open for negotiation, thereby ensuring clarity and inclusivity.

When employees are treated with respect and receives emotional support in the change negotiations, they view the organization as one which values the wellbeing of the employees and is dedicated to conduct negotiations in fair, legal and transparent manners. This increases the credibility of the organization and has a positive impact on the Employee Experience.

The key factors to a negative Employee Experience are lack of dialogue and transparency, absence of support and empathy, and unclear communication and expectation management. The absence of support and empathy, coupled with distant leadership, create an atmosphere of disconnection and demotivation, fostering a sense of neglect and powerlessness among employees. Additionally, the lack of critical information such as rationale behind the change negotiations, coupled with inconsistencies and vague responses, erodes trust and breeds skepticism among employees.

As mentioned in chapter 7.2.1, the Co-operation Act underscores the importance dialogue between the organization and the employees during the change negotiations (Paanetoja & Salminen 2023, 4.). In the organizations where the change negotiations are characterized by genuine engagement between the organization and its employees, employees feel that their voices are heard, and their ideas are considered. This fosters a sense of inclusion and commitment to the change. Other research support this finding; for example, Burrell (2018, 54) found that employees are much less likely to resist change when they have been included in shaping the outcome.

On the contrary, the absence of genuine negotiation dynamics and dialogue leaves employees feeling unheard, strengthening their resistance to change, and fostering a climate of resentment towards leadership. It also starts speculations; the employees might reflect that the lack of

negotiations was because the organization already had a predesigned plan on who they were go-
ing to lay off.

Beyond the immediate benefits to employees, investing in the positive practices yields broader
positive outcomes for organizations. Interviews revealed that organizations prioritizing emotional
support, transparency, and proactive communication witnessed strengthened relationships be-
tween direct managers and employees, fostering an environment of collaboration and open dia-
logue. Importantly, this proactive approach mitigated the proliferation of rumors and speculations,
minimizing misunderstandings and enhancing organizational cohesion.

All the leadership, change management and communication factors that impact the Employee Ex-
perience **after change negotiations** are described in chapter 6.2. The positive aspects are pre-
sented in figure 15, and the negative aspects in figure 16.

The key factors to a positive Employee Experience are validation of feelings, redistribution of work
in mutual understanding, and proactive communication to the remaining employees about the prac-
ticalities and the future. When these factors are demonstrated, employees experience reduced
anxiety and feel supported, valued, and empowered. This, in turn, bolsters trust, commitment to
change, collaboration, and overall engagement. Effective leadership, change management, and
communication post-negotiations provide employees with clarity and direction, crucial for their well-
being and Employee Experience.

By managing expectations and communicating outcomes clearly, organizations foster an environ-
ment of transparency and trust. Importantly, keeping remaining employees well-informed about
practicalities and future plans ensures a sense of direction and stability amidst change.

The key factors to a negative Employee Experience are inadequately managed exit of laid off em-
ployees, lack of feedback or dialogue channels, unclarity in rationale behind decisions, lack of ap-
preciation and a rush to move forward and neglecting the emotional impact the negotiations had on
the employees.

The unclarity surrounding the rationale behind decisions, leads to speculation, confusion, and re-
sentment among employees, hindering their ability to perform effectively and contributing to height-
ened stress and burnout. Open and proactive communication on the other hand minimizes specu-
lations and alternative narratives, enhancing trust and engagement among employees. Trust
emerges as a central theme, underpinning all aspects of change negotiations and organizational
dynamics.

The lack of feedback or dialogue channels further reduces the trust and motivation of the employees. When organizations do not ask for feedback from the remaining employees, they also miss an opportunity for improvement, and signal, that there is no interest in the Employee Experience.

One aspect worth highlighting is that the employees remaining in the organization are also affected by how the organization and leadership treat the laid off employees and manage their exit. If a remaining employee witness bad behavior towards laid off colleagues, it signals the values of the organization, and that the remaining employee would also be treated badly in a similar situation. This decreases the respect and trust towards the organization.

When the exit is managed badly, it has long-term impacts on the employees and the organization. As the findings show in chapter 6.2.2, half of the interviewees highlighted that most stress after the change negotiations was caused by inadequately managed departure of laid off employees. This leads to extra work on remaining employees, which they need to perform without adequate training or information sharing. The lack of information sharing hindered the team's efficiency and effectiveness, causing stress and confusion among employees who are left to manage the aftermath.

The poorly managed departure of laid off employees also impacts the organizational continuity. When the employees do not receive the information or training, they need to conduct their new tasks, it becomes an obstacle for them to perform well in their job. Also, when information sharing is not managed, it causes situations where information about customers disappears among the leaving employees, causing embarrassing situations when representatives of the organization do not know relevant information about their clients or what has been agreed with them.

Similar findings can be found elsewhere. For example, a survey by Leadership IQ shows that 81% of the 4000 participants mentioned the level of service the customers receive has decreased after the layoffs, and 77% reported they saw more mistakes being made in the work conducted in the organization. 69% of the participants mentioned that the quality of the organizations' product or service has declined. (Leadership IQ s.a.)

It is worth noting that most of the aspects that shape the positive Employee Experience in change negotiations does not cost a thing, as presented in chapter 3.3. about shaping the Employee Experience. However, as also Morgan (2017, 170) highlights, organizations with the best Employee Experiences makes significant investments in various areas, like people analytics, technology, learning programs, and innovative management and leadership approaches. I still dare to claim that leaders should always be able to demonstrate qualities such as honesty and empathetic behavior during change negotiations, regardless of the budget.

As figure 17 in chapter 6.3 shows, change negotiations have an **impact on the employees' motivation, efficiency, trust, and long-term career aspirations** with the organization. Change negotiations also impact the organizational culture and team dynamics, which impacts the Employee Experience further. Around half of the interviewees reported decreased motivation and trust and negative impact on long-term career aspirations and organizational culture. And around one third reported negative impact on efficiency and team dynamics.

Employees who retain their jobs during change negotiations are often referred to as survivors. While they indeed survived the risk of job loss, they may still suffer from the negative impacts that change negotiations can have on individuals. In the interviews conducted for this thesis, it was mentioned, that sick leave increased highly in the organizations during and after change negotiations, which indicates how stressful the situation can be.

The negative impact change negotiations have on employees and the organization are supported by recent surveys. For example, the Layoff Aftermath survey from 2022 shows that 71% of the layoff survivors reported a decrease in their motivation post-change negotiations, and 61% mentioned they are less likely to recommend the organization as a great employer. 65% reported their workload has been too massive after the change negotiations. (Bizreport 2022.)

In another survey by Leadership IQ 74% of the employees reported that their productivity has declined post-layoffs. Only 1% of the participants mentioned a positive impact on their productivity. (Leadership IQ s.a.)

Most of the impact is negative. However, in some cases the motivation and efficiency of the employees can increase if the changes the organization makes in connection with the change negotiations are motivating and show employees that the change is positive for them in the long term, for example by providing new opportunities or structure that enables better performance and growth.

In the research, interviewees who reported that change negotiations did not negatively impact their motivation or efficiency did not attribute this to well-handled negotiations or organizational commitment. Instead, it was due to their strong personal commitment to always perform their tasks to the best of their ability, regardless of circumstances. The impact of change negotiations on these individuals was more related to their personal wellbeing, causing stress and anxiety.

This attitude is admirable. However, it also allows for the exploitation of conscientious employees, as organizations can treat people poorly without immediate performance repercussions. As long as

the employees continue to perform well despite feeling mentally unwell, organizations lacking genuine commitment to employee wellbeing have no incentive to make changes.

Half of the interviewees started to look for other jobs during or after the change negotiations, but furthermore they reported, that a significant amount of the best talent in the organization did the same. This resulted in the highest performing talent leaving voluntarily. Other research has found the same results, for example research conducted at University of Wisconsin-Madison highlights, that layoffs rates have a connection to voluntary turnover rates (Trevor & Nyberg 2008, 270).

The significant role of the direct manager is also worth noting. In the interviews for this research half of the interviewees mentioned, that the trust towards the organization and leadership declined in general because of how the change negotiations were handled, but because of the positive efforts of their direct managers, the Employee Experience was not impacted as negatively as it would have been without their efforts.

The importance of trust cannot be highlighted enough. It was a constant theme in the discussions with the interviewees and connected to all the aspects of the change negotiations. The expectation gap described in chapter 3.3. is highly connected to clear communication. When management practices transparent communication, even when conveying negative information such as initiating change negotiations and layoffs, employees perceive honesty and openness. This fosters trust, as employees feel acknowledged, listened to, and respected. They gain confidence in predicting the future, leading them to invest fully in their engagement. (Maylett & Wride 2017, chapter 2.)

Interactions that increase the trust are, among others, leaders blaming others for their mistakes, inconsistent application of rules, not showing concerns for personal needs, inappropriate behavior towards employees, secrecy, lack of transparency, irrational financial decisions, and decision-making without justifications. (Maylett & Wride 2017, chapter 8.)

It is important to understand, that if the trust is breached during the change negotiations, it is still possible to rebuild the trust if the organization demonstrates remorse and a genuine desire to rectify the situation. (Maylett & Wride 2017, chapter 8.) This further highlights the significance of seeking feedback and responding accordingly to it following the change negotiations.

7.2.3   Guidelines for organizations in change negotiations

The aim of this thesis was to provide actionable insights for organizational leaders on how to navigate change negotiations in a way that creates the best possible experience for employees under the circumstances. In conclusion, this chapter underscores ten aspects organizations must consider before initiating change negotiations, aimed at safeguarding the Employee Experience for

those remaining within the organization. These conclusions stem from both the frequency of certain topics mentioned in the interviews and the perceived impact of these topics on the Employee Experience, as expressed by the interviewees.

1. Utilize expert guidance: Assign professional support for communication and legal matters if lacking in-house expertise.
2. Provide training and support for managers: Equip direct managers with the necessary skills and resources to effectively navigate the change negotiations.
3. Prioritize transparency and integrity: Ensure openness and maintain honest communication with employees.
4. Clarify the rationale for change: Clearly articulate the necessity, scope, and impact of the proposed changes to all stakeholders, and use data to justify the narrative.
5. Address legislative considerations: Enhance employee comprehension by clarifying legal requirements and implications.
6. Cultivate authentic negotiation dynamics: Foster an environment conducive to genuine dialogue and negotiation, promoting meaningful engagement from all parties involved.
7. Lead communication efforts: Proactively manage the narrative surrounding the changes, addressing information gaps to prevent the formation of negative assumptions.
8. Develop exit plans for laid off employees: Strategize and prepare for employee departures by focusing on knowledge sharing, documentation, and ensuring organizational continuity.
9. Establish dialogue platforms: Create channels for ongoing communication and feedback exchange, and ensure the feedback is addressed.
10. Provide comprehensive post-negotiation updates: Communicate detailed information following negotiations to keep employees informed and alleviate uncertainties.

Leaders can use this list to adopt practices that foster a positive Employee Experience during and after change negotiations, but it can also with slight adaption be applicable to other change initiatives and guide organizational practices. In Appendix 2 is attached a printable version of these materials, which is free to share as a separate attachment wherever needed.

7.2.4 Suggestion for future research

The research for this thesis was conducted by interviewing twelve individuals from different organizations. Future research about the same topic could focus on a comprehensive case study within a single organization. This approach would allow for a deeper understanding of the specific organizational culture, leadership styles, and communication practices. By narrowing the scope to one

company, the research could also investigate the role of organizational history and past experiences with change in shaping current employee perceptions and reactions.

Another way to study the area of how leadership, change management, and communication during and after change negotiations affect the Employee Experience would be to conduct comparative studies across various industries to reveal how sector-specific factors influence the relationship between leadership actions and Employee Experience.

Since the research for this thesis concentrated on a short time period, it could also be valuable to do more longitudinal studies, that can track changes in the Employee Experiences over time, providing insights into the long-term effects of leadership, change management, and communication practices in change negotiations. Another aspect would be to do large-scale surveys, to enable the collection of data from a larger and more diverse sample, increasing the generalizability of findings.

As described in chapter 7.2.1 organizations communicate inadequately about the **legislative framework** when initiating change negotiations. If the employees do not proactively seek information their knowledge of the organization's responsibilities and employee's rights is very limited. Future research could study if this is a conscious decision by organizations to retain power and control, or just a lack of understanding of the importance to discuss the subject.

Values are words or phrases the organization believes in or wants to represent. Values serve as guiding principles for organizational culture and actions of leaders and employees, providing clarity on desired behaviors and interactions. (Morgan 2017, 67.)

In the interviews only two interviewees were able to list all the values of the organization. Seven interviewees were unable to mention any of the organization's values, while three interviewees remembered the values to some extent.

The two interviewees who remembered all the values mentioned, that the values were also integrated to the organization's actions during and after the change negotiations; they played a significant role in guiding leadership decisions and fostering a supportive environment for employees. This was evident in transparent communication, active listening, and consideration of employee suggestions during negotiations.

Building on these insights, exploring the connection between organizational values and the handling of change negotiations presents an intriguing avenue for research. Understanding how values impact leadership decisions, communication strategies, and employee support mechanisms during

periods of change can provide valuable insights into effective change management practices and organizational resilience.

7.3   Assessment of own learning

I have experienced change negotiations both as an employee facing layoffs and as a manager representing the organization, responsible for letting people go. I have always believed, that change negotiations and other organizational crises would be less severe if handled with care and respect for individuals, and therefore this topic is very meaningful to me. Even though the process of writing a Master's Thesis can be stressful and includes moments of despair, this has been a very educational and rewarding period of my life.

I have gained extensive knowledge about Employee Experience, change management, change negotiations, leadership, and communication, and how they interrelate. The interviews revealed how emotionally intense change negotiations have been for many people, and their stories highlighted the importance of this topic.

One of the biggest challenges was handling the large amount of interview data and interesting findings. I interviewed twelve people, each with many valuable insights, making the data analysis extensive. In the end, I had to be very selective about what to include in the thesis. I appreciate seeing concepts from multiple perspectives, which made it difficult not to explore every subject deeply. If I were to write this thesis again, I would focus the interviews on an even narrower scope.

The entire process and its outcomes have been very rewarding. I care deeply about this subject and hope it helps even one organization to critically analyze their change negotiation practices and make improvements. I am thankful for the interest people showed in the topic of my research; many volunteered for interviews, my friends wanted to read it, and others expressed interest in the results.

In conclusion, my exploration of Employee Experience and change negotiations has been enlightening. Through theoretical and empirical research and personal reflections, I have developed a deeper understanding for the multifaceted dynamics at play during change negotiations and layoffs. As I continue my academic and professional journey, I carry with me a renewed commitment to championing humane, empathetic, and inclusive approaches to organizational change.

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Appendices

Appendix 1. Structure of the interviews

1. Background (factual questions)
   - Public information
     - o What is the industry of the organization?
     - o How many did the organization employ when the cooperation negotiations started?
     - o Does the organization operate only in Finland or internationally?
     - o Would you describe the organization as a linear or matrix organization?
   - Private information
     - o What was your role in the organization when the cooperation negotiations started?
     - o For how long had you worked in the organization when the cooperation negotiations started?
     - o Have you experienced cooperation negotiations before the negotiations in this organization? If yes: How many times? What was the outcome for you personally in the negotiations? Were you among the people who were let go or got to keep your job?
2. The employee's reflection on great Employee Experience
   - How would you describe a workplace with optimal Employee Experience?
     - o How would you describe great leadership?
     - o How would you describe great communication?
   - What are the most important aspects when considering a new workplace?
   - For what reasons would you quit your current job?
3. Employee Experience before change negotiations
   - How was your Employee Experience with the organization before the change negotiations were initiated?
     - o Please describe the leadership in the organization.
     - o Please describe the communication in the organization.
4. Employee Experience during change negotiations
   - Please describe how the communication about the change negotiations was managed.
     - o Which department or person was the main source of communication about the cooperation negotiations?
     - o Please describe how the organization explain their legal obligations during change negotiations.

- o How clear was it for you why the change negotiations were a necessity for the organization?
- Please describe the leadership in the organization during change negotiations.
  - o Did the organization offer support to the employees?
  - o Did the organization have documented values? If yes: Did the actions during the change negotiations align with these values.
  - o What was your direct managers role in the change negotiations?

5. Employee Experience after change negotiations
   - How would you describe the work environment immediately after the change negotiations?
   - Please describe the leadership and communication during the period when laid off employees were still working in the organization.
     - o Were the remaining employees and the laid off employees treated equally?
   - Please describe how the organization supported remaining employees.
     - o Were there opportunities for the employees to provide feedback about the change negotiations?
   - Please describe how the change negotiations affected your motivation and trust towards the organization.
   - Please describe how the change negotiations affected the team dynamics and organizational culture.

6. Conclusions
   - If you could provide feedback to the organization about the change negotiations, what improvements would you suggest?
   - Did the organization do something particularly well you think other organizations should learn from?

Appendix 2. Guidelines for organizations in change negotiations

NAVIGATING CHANGE:

10 Guidelines for Successful Change Negotiations

1 **Utilize expert guidance**

Assign professional support for communication and legal matters if lacking in-house expertise.

2 **Provide training and support for managers**

Equip direct managers with the necessary skills and resources to effectively navigate the change negotiations

3 **Prioritize transparency and integrity**

Ensure openness and maintain honest communication with employees.

4 **Clarify the rationale for change**

Clearly articulate the necessity, scope, and impact of the proposed changes, and use data to justify the narrative.

5 **Address legislative considerations**

Enhance employee comprehension by clarifying legal requirements and implications.

6 **Cultivate authentic negotiation dynamics**

Foster an environment of genuine dialogue and negotiation, promoting meaningful engagement.

7 **Lead communication efforts**

Proactively manage the narrative surrounding the changes, addressing information gaps to prevent the formation of negative assumptions.

8 **Develop exit plans for employees**

Prepare for employee departures, ensuring knowledge sharing, documentation, and organizational continuity.

9 **Establish dialogue platforms**

Create channels for ongoing communication and feedback exchange, and ensure the feedback is addressed.

10 **Provide comprehensive post-negotiation updates**

Communicate detailed information following the negotiations to keep employees informed and alleviate uncertainties.

This list is created based on research conducted for the thesis Leadership and Communication in Change Negotiations: Effects on Employee Experience by Sabrina Pasanen.