

**THE IMPACT OF THE FINANCIAL CRISIS ON INDUSTRIAL
RELATIONS IN GREEK INDUSTRY**

APOSTOLOS ETMEKTZOGLOU

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LIST OF ABBREVIATIONS

AFEPs	Alternative flexible employment practices
CEAs	Collective employment agreements
CPAs	Civil servants, Policymakers and Academics
EC	European Commission
ECB	European Central Bank
EEs	Employees
ERs	Employers
FEPs	Flexible employment practices
GSEE	Greek General Confederation of Labour
HRDs	Human resource directors
HRMLs	Human resource multilevel employees
HR	Human resources
IMF	International Monetary Fund
IR	Industrial relations
LMs	Line managers
NGCEA	National General Collective Employment Agreement
URs	Union representatives

CHAPTER 1

INTRODUCTION

1.1. Subject description

The EU's political and economic system has found itself in its deepest financial crisis ever following the effects of the international crisis, a great burden of which may have originated from the competition in emergent economies, particularly low production cost economies such as China and India (IREC, 2012). The effects of competition gradually led to inevitable disaster in the majority of European industries in the form of the economic and financial crisis, which quickly evolved into a debt crisis in Eurozone member states with unexpected effects on entrepreneurship and industrial relations (IR).

The deep financial crisis of the world economy, which also engulfed Greece's economy, directed the country to resort to the international loan mechanism agreed with the Troika, namely the European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF), which is the body supervising Greece's fiscal and structural change programme. In the context of the support offered by the mechanism in order to face Greece's crisis, radical reforms were introduced into the administration of public finances and taxation, labour, pension and social security matters. These all influenced IR and their social partners (i.e. key stakeholders) in Greece: employers (ERs) and employees (EEs). The imposition of measures to modify IR in Greece is considered in this document, particularly the measures, response to these reforms and analysis of such reforms' impact on Greece's IR system in both the short- and the long-term.

The issue of what is happening in IR within the unstable and collapsing socioeconomic environment in Greece needs further research. Therefore, the motive of the current thesis is to examine the impact of the crisis on IR and to assess whether and to what extent there has been a change in the balance of power between key stakeholders (ERs and EEs). As a research vehicle, the construction industry along with cooperative sectors as Energy, Cleaning and Post-logistics have been chosen by the author to consider the changes in Greece's IR system. Firstly,

this represents a major sector of the economy supplemented by cooperative sectors. Secondly, the Troika expects this sector to deliver fast results towards economic recovery and thus improve IR in Greece. Thirdly, as a personnel manager of many years within Greece's largest construction industry, the author has easy access to key IR actors. Before exploring the impact of the financial crisis on IR within Greek industry, it is necessary and interesting to define the key research questions.

1.2. Research questions

Considering the above stated issues regarding the socioeconomic situation in the period 2009–2013 in Greece, many questions could be raised. Given that the main objective of the current research is to investigate what is happening to the IR system in the private sector industry within the unstable and collapsing socioeconomic environment in Greece, the following questions are examined:

- How were the problems of the reform measures in IR passed in the period 2009–2013 perceived by the key actors?
- Did the reform measures change the balance of power between these stakeholders and to what extent and how did they influence IR and the key stakeholders in Greek industry?
- Is there any possibility to revive IR in Greece?

In order to answer the raised questions, the research process examines the literature related to IR in general. This offers an important conceptual backdrop to help understand the main contours of Greek IR before and after the crisis. Further, the incidences and causes of the current crisis in Greece are presented, as these mainly influence the IR system in Greece. By exploring the IR system in Greece before the crisis and after the new reform measures, we focus on the institutional changes and employment levels within the economy.

The presentation of the literature and analysis of the findings, along with the relevant argumentation, show the possibility to make assumptions about where the Greek IR system fit in the past and where it fits today. We can also examine who the main actors were before the crisis and who are after the imposition of reform

measures as well as the traditions and practices of the past and of today. Further, what was the balance of power between the key stakeholders before the crisis and whether and to what extent there has been a change of this balance within the private sector in Greek industry after the new reform measures. Within the scope of this thesis, the literature and data until December 2013 is considered in the research process.

CHAPTER 2

LITERATURE REVIEW

2.1. Theories behind IR in general

For a better conceptualization of the issues related to the current crisis of Greek IR, I need to offer, or at least attempt to offer, an understanding of IR. Most IR works past (Adams, 1983; Hyman, 1975; Fox, 1966) and present (Hyman, 2001, 2011; Kelly, 1998; Edwards, 2003; Kaufmann, 2010) indicate that this is by no means an easy task. Controversy still surrounds not only the theoretical foundation of IR but also whether IR can be considered to be an academic subject in its own right. For example, in the era of post-industrialism in which the majority of EEs work in the service sector, questions arise concerning the subject matter. Is IR merely a study of factory EEs? Quite clearly, if we are to claim, as this thesis does, that Greek IR is going through a period of historical transformation, there are a number of requirements. Firstly, what conception of IR is applied? Secondly, how does this apply to Greece? Ultimately, what do we understand by the term Greek IR?

2.2.1. A short history of IR schools

Adams (1983) claimed that despite the stature that the field of IR has achieved, many essential issues regarding its nature and purpose continue to be controversial. Indeed, there are many views and approaches regarding the definition of IR. For example, Dunlop (1958) defined IR as ‘the rules of work’. This inspired in Britain the likes of Flanders (1965) and Clegg and Bain (1974) (see Adams, 1983, p. 508) to assert that IR concern the study of job regulation. In turn, this inspired Hyman, a research assistant at the time of these British IR academics, to question the narrow definition of such an IR agenda. More recently, the likes of Kelly (1998) have asked whether IR is dead in light of the fact that the decline in IR institutions such as trade unions implies that job regulation is outdated.

Dunlop (1958, p. 6) did not make the task of definition easy when he noted that IR are ‘crossroads where a number of disciplines meet’. This perspective, as

mentioned by Adams (1983, p. 510), was exemplified by the billing of that time given to the British Journal of Industrial Relations:

‘A Journal of Research and Analysis covering every aspect of Industrial Relations: Industrial Sociology, Industrial Psychology, Labour Economics, Labour Law, Manpower Planning, Personnel Policy, Systems of Remuneration, Collective Bargaining, Organizational Theory, Conflict Theory, Institutional Studies, Government Policies, Work Behaviour, Industrial Relations Theory.’

As shown below, the litany of subject areas in some respects led to IR being placed in silos, each having their specific focus. This point was implicitly made by Adams (1983, pp. 511-522), when he claimed that the field of IR contained four dominant research schools, namely the labour market school, the management school, the political school and the institutional school, as well as an alternative paradigm, IR systems theory. Each school contains its own specific characteristics that might have been altered, enriched or cancelled from that time until now. Although it is not possible in this thesis to provide a comprehensive presentation of the four schools or traditions, the following sections serve to present this thesis’s working definition of IR to lay the foundation for outlining the traditional parameters of Greek IR pre-crisis.

2.1.2. The labour market school

The labour market school seems to have its origins in the 1950s, although its relevance remains today. It focuses on market efficiency and economics, the interest of which for management and labour is not humans but commodities (Boulding, 1950, p. 53, see Adams, 1983, p. 512). In this school, both labour and management attempt to maximize economic utility following the strict theory of labour markets, which are supposed to be self-regulating, that is based on and balanced by the abstract forces of supply and demand. Although this system looks self-regulating, the independent factors of supply and demand forces determine the level of wages and mobility of labour. However, they focus strictly on economic principles rather than on the human factor and the institutions behind which a kind of balancing regulation has appeared in recent more socially oriented IR systems.

Kaufmann (2010) discussed at great length how such a school actually exists as a threat to the very existence of IR as a subject. If, as this school postulates, perfect competition is the best employment regulator, then representative institutions such as works councils and trade unions as well as employment legislation are by default redundant. On the contrary, their very existence is a threat to perfect competition. In addition, the labour market school adheres to a unitarist view of employment, namely that it considers the interests of labour and capital to be the same. In essence, it denies the existence of conflict: when conflict prevails, is there any need for regulatory labour representation mechanisms?

Of course, accepting such a stance would imply that this thesis is a fruitless exercise, or at least that its task should be to prove the negative contribution of Greek IR to the current crisis. This school does have its benefits, though. Firstly, by rejecting its main tenets, it helps outline our working definition of IR. Secondly, it is an important tool that contributes to a better understanding of the political and economic developments currently transforming Greek IR. As indicated earlier, the refinancing of Greek national debt has resulted in the implementation of strict labour market deregulation measures. The dismantling of the Greek IR system is viewed as an important factor for revitalizing the Greek economy (we return to this issue when discussing the Greek crisis).

2.1.3. The political school

Most of the conceptual orientation of the so-called political school belongs to Karl Marx. In contrast to the impersonal supply and demand forces that determine the labour market school, the political school has its core notion of conflict, a belief that IR needs to consider that employment involves relations between two groups of actors whose interests ultimately diverge. Here, the notion of capitalist markets leads to a battle between two classes, ERs who possess capital and EEs who have at their disposal mere labour power. It discriminates the classes between capitalists and workers. Instead of economic efficiency, the concern of the political school is the conception of social justice. Various academics use this approach to emphasize how IR is concerned with the control of the labour process (Hyman, 1987; Kelly,

1998), namely a clash between classes over the organization of work and distribution of its fruits.

Although Adams (1983) stated that this school focuses specifically on the interlinked factors of justice and class consciousness, it also helps to introduce the human element into the debate over IR and argues for employment pluralists rather unitarist relations. As Kaufmann (2010) noted, this has the consequence of making an extremely strong argument for a system of IR where the focus is on institutions and legislation designed to facilitate dialogue between ERs and EEs. From the perspective Doc. 5, it helps in our definition of IR, accepting that IR acknowledges that these two actors may have an institutional realm at their disposal. Hence, in discussing Greek IR, we have the task of revealing which institutions have traditionally prevailed, how actors have utilized these to facilitate dialogue in the control of work and the distribution of profit and how in the crisis era these have led to changes in the IR system. These changes might have originated from the invented possible solutions (austerity measures) in the attempt to gain the lost competitiveness and recover the economy.

2.1.4. The management school

The management school appeared in the early 20th century, the father of which was Frederick Taylor (1911) (see Adams, 1983, p. 514). He disregarded the two previous theories as both having specific problems. In particular, he claimed that the labour market school focuses only on free competitive forces based on pure supply and demand, utilizing workers for the efficiency of the economy (the assumed ‘one best way’), whereas the political school assumes providing power and privilege only to the working class. On the contrary, Taylor supported that management should have a discretionary relationship with its workers based on management strategies that were focused on maximizing labour productivity through scientific methods. These methods were supposed to be followed by workers with the appropriate economic incentives. His system was rewarding quantity not quality. Although it was innovative, this system received severe criticism as it ignored human physiology and psychology. One of the critics of Taylor’s scientific management of workers was Harry Braverman (1974), who

argued that scientific management undermined the power of labour by deskilling labour from mindless and machine-based activity and leading to the degradation of work.

Further, Mayo (1933, 1949, see Adams, 1983, p. 515) expanded Taylor's concept and claimed that despite the provided economic incentives, the variable of job satisfaction could be regarded as contributing to productivity. Furthermore, theorists of the management school have developed a rich body of research and theory regarding personnel management, industrial psychology and organizational behaviour, all of which have contributed to relations between EEs and ERs at the level of the enterprise, thereby eliciting high labour productivity.

Although the inventors and followers of this school have expanded the concepts of productivity-enhancing factors, they have ignored the issues of the following institutional school in the context of trade unionism, collective bargaining and government intervening policies for several regulation purposes. If the application of the management school's strategies is supposed to maximize labour productivity and to produce ample prosperity to the economy (ERs), which reassures workers that the appropriate mutually accepted economic rewards in a self-regulating manner are satisfied, the existence or the use of the institutional school is unnecessary. If such a system, with the stated presumptions, satisfies both actors' needs in the best way, it is perfect in terms of conception, but it is still very difficult to implement. The assumed success of implementing the scope of such a system depends on who defines, determines and satisfies fairly the needs of each actor and on who helps keep the balance of power between the stakeholders in equilibrium. Considering the above assertions and concepts as vital for IR between the key stakeholders, it is interesting to present and debate the attributes of the institutional school.

2.1.5. The institutional school

In general, the institutional school focuses on institutions such as trade unions, collective bargaining and the defence on them. The most essential early paradigmatic work in this tradition was carried out by J.R. Commons and his

associates in the US and by Sidney and Beatrice Webb in Great Britain (see Adams, 1983, p. 516). Early members of the school believed strongly in the social desirability of ‘industrial democracy’, by which they meant the representation of the organized interests of workers (Leiserson, 1973, see Adams, 1983, p. 517), or ‘economic democracy’, referring to the democratization or socialization of the economy (Hyman, 2011).

Adams (1983) claimed that the movement of the institutional school was less mature at that time and that its members have suffered from a persistent identity crisis. Instead of developing a positive stance of collective action, institutionalists tried to reveal the inadequacies of various aspects of the competing schools and focused on the defence of pragmatic trade unionism. By pragmatic, they probably meant, from a practical point of view, the inductive way of approaching the labour–management relationship, thus looking for facts in search of a theory. However, Adams (1983) asserted that focusing on institutions (trade unions, collective bargaining in particular and the defence on them) has provided considerable stances in terms of existence and recognition and expanded the range of the field of IR. This school again focuses only on one part of the IR field, institutions, and supports the interests of only one group of stakeholders, EEs.

Unfortunately, institutionalists support the interests of one group of key stakeholders, a fact that cannot be accepted by the other side and vice versa. Moreover, the effectiveness of a theory or a school of thought for extended periods depends on various constraints and factors. These constraints and factors might depend on the socioeconomic conditions that determine the balance of power between the key stakeholders. For this reason, research on the contemporary IR system in the context of institutions has questioned whether we will follow the consistency of Hyman’s paradoxes, which are referred to as market-oriented unionism. In explaining the term, Hyman (2001, p. 13) admitted that in times of economic expansion, unions could yield attractive benefits, but in recessionary periods or when ERs become very strong through technological or work organization changes, workers’ dignity and wages were commonly deployed (the latter might be the case of Greece’s situation today). Hyman’s assertion showed in

a certain way the weak position of the institutional school, as institutions depend heavily on the conditions of economic expansion, a factor that may systematically determine the balance of power between the key stakeholders in any IR system.

Similarly, in the current case of Greece, the research process will show whether the IR system of Greece has adopted the rights and principles of the institutional school in terms of trade unions and collective bargaining. It will also show whether these have changed over time or been sacrificed at the altar of the growth-enhancing policies of structural reform austerity measures imposed for the rapid adjustment of the economy. Indeed, what was the state of IR institutions in Greece before the crisis and after the reform measures?

2.1.6. IR systems theory

One significant theory on the evolutionary process of IR was put forth by Dunlop in the 1950s. In trying to define the structure of an IR system, Dunlop (1958) claimed that an IR system is regarded as comprising certain actors, certain contexts, an ideology that binds the IR system together and a body of rules created to govern the actors in the workplace. There are three actors in this system: managers, workers and specialized governmental agencies. He seemed to admit that the first two actors are directly related, as they are closer in the corporate environment, while the third one, government agencies, is above the other two on most matters, suggesting that they are the regulators of the system within society.

Dunlop (1958) also claimed that the environmental context in which actors interact comprises three aspects: (1) the technological characteristics of the work community, which have far-reaching consequences for an IR system by influencing the key actors, managers and workers, (2) the market or budgetary constraints that impinge on the key actors, meaning issues such as the kinds of costs/budgets, cash flow, size of operations and cyclical fluctuations in demand and employment and (3) the locus of the distribution of power in the larger society in which the IR complex is a subsystem that concerns the relative bargaining powers among the three actors or their controls over the processes of interaction or rule setting.

Thus, Dunlop's model of IR was a social subsystem subject to three environmental constraints, namely markets, the distribution of power in society and technology. It also identified as key factors the environmental or external economic, technological, political, legal and social forces that influence employment relationships, the characteristics and interaction of the key actors in the employment relationship (labour, management, and government) and the rules derived from these interactions that govern the employment relationship.

Furthermore, Dunlop emphasized the core idea of systems by stating that arrangements in the field of IR may be regarded as a system as each more or less intimately affects each of the others, so that they constitute a group of arrangements for dealing with certain matters and are collectively responsible for certain results. Thus, IR is the system that produces the rules of the workplace, which are the product of the interaction between EEs/unions, ERs and associated organizations and the government. Dunlop's model placed great significance on external or environmental forces. As mentioned above, he claimed that the government possesses a shared ideology with the other two actors and defined their roles within the relationship in order to provide stability to the system. In other words, the government is supposed to be the regulator of the system within society. Dunlop's work, despite severe criticism because of the inadequacies mentioned in his work (see Adams, 1983, p. 520), has provided an alternative theory to those previously stated and offered insights to many scholars of IR into refining, clarifying and adding to the systems framework.

Dunlop's thoughts were subsequently developed by Flanders, arguing that 'a system of industrial relations is a system of rules'. Flanders (1965, p. 10) (see Hyman, 1975, p. 11) concluded that 'the study of industrial relations may therefore be described as a study of the institutions of job regulation'. Hyman (1975, p. 11) also inserted the concepts of the maintenance of stability and regularity in industry, focusing on conflict containment and control by suggesting that:

'To define the subject exclusively in terms of rules and regulation is far too restrictive, and has unfortunate evaluative overtones. The implication is that what industrial relations is all about is the maintenance of stability and

regularity in industry. The focus is on how any conflict is contained and controlled, rather than on the processes through which disagreements and disputes are generated.’

Of course, there will be conflict between actors, especially when the element of survival appears. In pre-crisis times, conflict management and control in terms of institutions (trade unions, collective bargaining) was a matter of actors’ interactions and negotiations. However, after the impact of the crisis, the imposition of austerity measures and the changed state of IR, especially in the case of Greece, it should be researched whether the processes have changed and coincided with Hyman’s (2001) paradoxes of market-oriented unionism.

Moreover, many useful additions arose to develop the field of IR, such as those of Craig (1975), Geare (1977) and Kochan (1980) (see Adams, 1983, p. 520). Craig (1975) suggested the inclusion of other social subsystems in the environment in addition to Dunlop’s three, namely the ecological system, the economic system, the political system, the legal system and the social/cultural system. He also included three crucial attributes of actors: goals, values and power. He focused on the impact of IR on productivity, inflation, income distribution and other issues of social consequence. Geare (1977) (see Adams 1983, pp. 521–522) reconstructed the systems model by integrating both the rules of Dunlop’s model and other substantive issues such as the terms and conditions of employment of Craig’s model in order to include specific actors’ objectives. Moreover, in developing IR systems theory, Kochan (1980) (see Adams, 1983, p. 521) added the idea of actor goal attainment. This idea was based on the search for the relationships among the goals of workers, ERs and the larger society in achieving a workable and equitable balance among these interests (the so-called ‘equitable balance’ of interests between the key stakeholders within society).

Further, Hyman (1975, p. 31), in defining the scope of IR as a study of the ‘institutions of job regulation’, found this term as unsatisfactory for three reasons, ‘First, this definition diverts attention from the structures of power and interests, and the economic, technological and political dynamics, of the

broader society – factors which inevitably shape the character of relations between employers, workers and their organisations. Second, the emphasis on institutions carries with it a danger of reification: it becomes easy to ignore the real, active men and women whose activities are industrial relations. Third, the notion of regulation conceals the centrality of power, conflict and instability in the processes of industrial relations.’

Hyman (1975) excluded the term ‘personal’ from relationships in industry as it involves not simply the ‘impersonal’ processes of supply and demand, but also the incorporation of control processes as the continuous and shifting relationship that derives from a conflict of interests in industry and society in the capitalist economic system. Hyman’s (1975) thoughts expanded the analysis of institutions from simple ‘job regulation’ to the ‘political economy of IR’.

Hence, the concept of IR includes the theories, assertions, aspects, claims and perspectives of the previously mentioned schools and systems as well as the various historical and future debates on them and whatever exists and interacts regarding the relationship between the EEs and ERs within an environment influenced by continuously changing political, social, technological and economic dynamics. More explicitly, the IR concept includes a vast amount of factors such as the interaction of contractual actors, the conflict of actors’ interests related to power, wages, rights and obligations, the rules of work in general, the terms and conditions of employment, employment forms, traditions and practices, rules of conduct, state intervention for the regulation or deregulation of the system (Labour Law) that affects industry competitiveness and the existence of IR and its institutions (trade unions and collective bargaining processes) that mitigate the conflict and the balance of power between these stakeholders as well as all other possible issues related to the employment relationship of the two key actors that could be included in the evolution of the IR field.

Nevertheless, an inference can be drawn that each of the above stated schools was developed in order to confront the situations of that time or resolve different problems, or was followed as an experiment to achieve a managerial goal or a

social movement (i.e. benchmarking of the time). Therefore, no concept or theory on IR, since it was specifically formulated to respond to the problems of the circumstances originated at the time it was written, be generalized or prescribed as a doctrine for all future cases in IR.

Moreover, as a separate thought, an independent observer could claim that the above stated theories could be supplementary but not integrated into one, thereby forming an IR system that could combine all views and perspectives. This is difficult to occur given the different circumstances that occur at every time and place and the fact that each theory is more or less contradictory.

Although it is interesting to debate the construction of IR or to discuss what concepts should be included in a comprehensive IR system, the previously stated theories might not cover the case of a sudden intense economic breakdown or the impact of such an economic crisis on IR. Rather, they will be used occasionally to add insights into the research process of the thesis, namely the case of Greece as presented in the next section. All these theories present different forms of IR systems but all are based on the existence of an economic system, capitalistic or not. If the economic background is taken for granted as the basis and the absolute necessity for the existence and development of any IR system per se, what happens to the IR system when the economic environment collapses? Most of the interviewees participating in the current research, as presented and analyzed in the presentation and analysis of the research findings section of this thesis, perceived the sudden economic breakdown of the Greek economy and the impact on IR as similar to a war situation without military weapons (i.e. an economic war).

2.2. The working definition of IR

Considering the above, a concise definition of IR is whatever exists and interacts until now and in the future in the context of the employment relationship between EEs and ERs, which is a relationship based on conflict that is mitigated through institutional, political, historical, technological, economic and other social arrangements. Hence, in this thesis I consider IR concerns to be a study of

employment relationships between ERs and EEs that take place in both the pre-crisis and the post-crisis environments.

As in every relationship in life, conflict of interests always exist, as interests ultimately diverge, and this has to be confronted and controlled under certain processes or institutions, which is a prerequisite for the continuation of a balanced relationship per se. Therefore, I examine the impact of the crisis on the institutional framework in employment relationships that have been historically developed (trade unions and collective bargaining) and that operate through the enactment of a legislative frame characterized by the provision of certain rules that define the rights and liabilities of each stakeholder that bind their employment relationships. Therefore, the IR system in Greece before and after the crisis is explicitly analyzed in the following sections.

In defining the interesting points from above, the current thesis aims to show which IR system existed before the crisis and after the reform measures by examining which institutions existed before the crisis, how the actors utilized these to mitigate the conflicts between them, how these actions were perceived in the crisis era, whether they led to changes in IR institutions (trade unions and collective bargaining) and the role of the state and balance of power between the key actors, all in an economic environment that is collapsing.

Therefore, the IR definition applied in this thesis concerns the conflicts between ERs and EEs. Hence, we focus on the institutional legal arrangements that influence and allow us to analyze the impact of the reform measures on the relations between these two parties and the state. The aim of the research process is to show other solutions to confront or prevent possible conflicts between the key stakeholders in order to gain lost competitiveness and recover the Greek economy.

Thus, it is necessary to review the literature related to the current economic crisis in connection with the presentation of the Greek IR system before the crisis and after the imposition of reform measures. We must also compare the above with findings

from the interviews (the incidences, facts and perceptions of stakeholders) on the impact of the current financial crisis on IR.

CHAPTER 3

DEBATE ON THE CRISIS AND IR IN GREECE

3.1. The crisis in Greece

In this section, the thesis considers the evolution of the crisis found as representative and interesting by the researcher related to the subject of the impact of the current socioeconomic situation on IR and the key stakeholders (EEs, ERs). The literature focuses on the importance of the views of different and contradicting sources related to the subject in order to provide explanations and insights for the reader. Several literature findings are employed from Greece, the EU and worldwide regarding the current socioeconomic situation in Greece, the causes of the crisis and the impact of the crisis on IR.

As described in the report by the Congressional Research Service prepared for the members and committees of the US Congress (Nelson et al., 2011), the current socioeconomic situation in the Eurozone is characterized by a serious sovereign debt crisis, as several Eurozone member countries have high, potentially unsustainable, levels of public debt. Lately, three countries, Greece, Ireland and Portugal, have borrowed money, in excess of the limitation percentage on their GDP as stated by the EU, from other European countries and the IMF. In the same report (p. 1), it is also stated that

‘Since early 2010, the Eurozone has been facing a major debt crisis. The governments of several countries in the Eurozone have accumulated what many consider to be unsustainable levels of Government debt, and three countries — Greece, Ireland, and Portugal— have turned to other European countries and the International Monetary Fund (IMF) for loans in order to avoid defaulting on their debt. The crisis now threatens to spread to Italy and Spain, respectively the third and fourth largest economies in the Eurozone. Greece has been at the centre of the Eurozone debt crisis. It has the highest levels of public debt in the Eurozone, and one of the biggest budget deficits. Greece was the first Eurozone member to come under intense market pressures and the first to turn to other Eurozone member states and the IMF for financial assistance. Over the past year, the IMF, European officials, the European Central Bank (ECB), and the

Greek government have undertaken substantial crisis response measures. At the behest of European leaders in July 2011, holders of Greek bonds have also indicated that they will accept (and finally accepted) losses on their investments to alleviate Greece's debt payments in the short-run. If these plans are carried out, Greece will be the first advanced economy to default in almost half a century.'

European Commission (2012, p. 1) indicated that the current weakening of the labour market is mostly the result of worsening economic activity linked to the aggravation of the sovereign crisis amid an increasingly uncertain economic environment. As a result, the public debt crisis has expanded throughout Eurozone country members (European Commission, 2012, p. 6) and uncertainty has dominated the economic outlook since the second half of 2011, influencing investments, consumption decisions and the labour market by increasing unemployment to the highest level since the start of the monetary union.

The example of Greece, the Greek sovereign debt crisis, which has been created gradually over the past three decades, has captured the attention of the world for what it says about both the viability of the Euro and the EU integration project as well as the warning signs it sends about governance and public finances (Mihalakas, 2012).

Greece and the EU in general are facing the greatest recession in the post-Second World War period, which has major effects on IR (Metzitakos, 2012). IREC (2012) highlighted the impacts of the crisis and austerity measures upon the institutions and actors of European IR systems in both the private and the public sectors. The EU's political and economic system is facing the effects of the international crisis, which originated from the competition in emergent economies, particularly low production cost economies such as China and other developing Eastern countries. This has triggered policies promoting the further deregulation of IR, particularly regarding wage policy, and consequently attempts to limit the autonomy of collective bargaining. Thus, the effects of the crisis, although strong in the peripheral countries of the Eurozone (Portugal, Ireland, Greece and Spain, the so-

called ‘PIGS’), expanded across Europe as a whole (IREC, 2012). Over recent decades, the movement of production from Western to Eastern countries has gradually led to inevitable disaster in the majority of European industries, with the economic crisis quickly becoming a debt crisis with unexpected effects on IR.

Greece, as described at the beginning of this section, in order to face this financial crisis, in the context of the support offered by the mechanism, introduced radical reforms in the administration of public finances and the taxation, labour, pension and social security matters of ERs and EEs. In terms of IR, the response to the implementation of the reforms comprised major Labour Law reforms, which the research process will examine to assess whether they affected heavily, in a positive or negative way, the key stakeholders, ERs and EEs.

3.2. The causes of the crisis

We need to understand what brought about the crisis because ‘those who cannot remember the past are condemned to repeat it’ (Santayana, 1905). Therefore, in order to understand better the current socioeconomic situation, it is interesting to view what happened in the past and what were the causes that emerged from the present crisis. Although the origin of the crisis started in the US in 2008, the debt crisis is expanding through Eurozone countries. As this debt crisis affects all European countries in a common market with monetary unification, we must research how this started and whether a small country such as Greece was prepared for the meltdown of IR with unpredictable effects on EU society in general.

According to Nelson et al. (2011), the causes of the crisis in Greece consisted of various reasons. Although Greece in the 2000s had abundant access to cheap capital, especially after entering the Euro currency in 2002, these capital inflows were not used effectively to increase the competitiveness of the economy. However, the EU’s rules, although designed to confront financial problems such as the accumulation of public debt, failed. The global financial crisis of 2008–2009 strained public finances and subsequent revelations about statistical data increased Greece’s borrowing costs dramatically. For this reason, by early 2010, Greece risked defaulting on its public debt. Then, the EU, ECB and IMF agreed with the

government of Greece to provide a major financial assistance package for the country's economic reform. These measures prevented a default, but a year later, the economy was contracting sharply and again reverted towards default. European leaders announced a second economic assistance agreement by requesting measures to be applied in July 2011. The new agreement actually depreciated the value of Greek bonds, meaning that more austerity measures for financial assistance needed to be provided. However, the prospects remained unclear as the responses to the measures had not led to growth and had not managed to control the crisis. Unemployment was close to 16% (Hellenic Statistical Authority, May 2013, see APPENDIX III). Similarly, Ireland and Portugal requested financial assistance from the EU and IMF. Interest rates on Spanish and Italian bonds rose sharply and the created financial liabilities in Eurozone countries led to the need for further reforms to EU economic governance. Nevertheless, an opinion poll in June 2011 indicated that close to 50% of Greeks wanted parliament to reject new austerity measures, with only 35% in favour of parliamentary approval (Nelson et al., 2011).

Outside the local turmoil, Krugman (2010) claimed that

‘The only way Greece could tame its debt problem would be with savage spending cuts and tax increases, measures that would themselves worsen the unemployment rate. No wonder, then, that bond markets are losing confidence, and pushing the situation to the brink’.

Unfortunately, his claim came true and unemployment in Greece more than tripled between 2008 and 2013, rising from 7.7% to 27.6% (Hellenic Statistical Authority, May 2013, see APPENDIX III), a result caused by the austerity reform measures. As a result of the increased unemployment rate, Krugman (2012) very reasonably wondered ‘how countries that are systematically denying a future to their young people — youth unemployment in Ireland, which used to be lower than in the United States, is now almost 30%, while it's near 50% in Greece — are supposed to achieve enough growth to service their debt’.

Despite the above notions, the failure to utilize properly the inflow of cheap capital in the 2000s, the controlling of public finances and bad administrative and

distracted government actions within the past 30 years led to increased public debt in Greece for many.

In addition to the above assertions, Pappas (2010) provided another dimension by defining the causes of the crisis. He claimed that the current crisis in Greece has not only been caused by disastrous economic management but also exacerbated by the malfunctioning of the country's political system within the European unification project amid a political culture of populism and clientelism. During the 1980s, Greece experienced a rise in irresponsible populism. By promising better lives for ordinary Greeks, politicians abandoned all fiscal discipline by introducing sharp pay rises and an unprecedented increase in employment in the public sector. Real wage increases were moreover supplemented by the introduction of universal healthcare and pensions, a rise in social security contributions, the legislative establishment of syndicalism (unionism) and other fringe benefits but without the counterbalance of having any increase in the real economy such as boosting productive investment and entrepreneurship that could finance these additional costs. Although Papandreou (1985, see Pappas, 2010, p. 3) understood the necessity of freezing wages and introduced a strict austerity programme, under pressure from the unions (of both public and private sectors), who demanded immediate salary rises, he decided to abandon prudence for the satisfaction of electoral clienteles. He declared that 'the people are superior to institutions'. Since then, having to choose between fiscal discipline and the prospect of electoral defeat, most Greek governments, with minor exceptions, have chosen the second. Concluding, Pappas (2010) asserted that recovery will require much more than wise economic management; it will in fact require the remaking of Greece's whole political and institutional system. If the focus of Pappas' assertion was on remaking the political and institutional system of Greece, the reform measures of the Troika as regards to IR, which are explicitly analyzed in the following sections, aimed to change the institutions of IR through substantial legislative changes in the Labour Law to restore the desired competitiveness of the industry. Having viewed the literature behind the current crisis and the possible causes of this in Greece, it is interesting to discuss the impact of the crisis on IR.

3.3. The impact of the crisis on IR

As the focus is on the impact of the financial crisis on IR within Greek industry, a full conceptualization of the Greek IR system before the crisis and after the new reform measures is necessary. The examination of the Greek IR system in this way provides further insights into where IR fit in the past and where it fits today. Who were the main actors in the past and who are they today? What traditions and practices were used in the past and what are used today? What institutions were used in the past and what are used today? What was the balance of power between the key stakeholders before the crisis and after the new reform measures?

3.3.1. The Greek IR system before the crisis

In order to conceptualize the IR system in Greece it is important to present a concise history of the development of IR in Greece and the transition of the system from 1830 to 2009, the year when the recent crisis emerged. Kritsantonis (1992) deliberately narrated and reflected on the history of IR in Greece and its transformation process that was heavily affected by the evolution of political and economic situations.

From the establishment of Greece as an independent state in 1830 until 1890, the economy was characterized as pre-capitalist dominated by agricultural activities. In the period from 1890 to 1922, the year when the Asia Minor catastrophe occurred, there was considerable capital investment by Greek émigrés, which facilitated the development of infrastructure projects and initiated the industrialization of the country. A major factor for the rapid industrialization process was the inflow of over one million specialized Greek industrial labour refugees from Asia Minor (Kritsantonis, 1992).

In the post-Second World War years, the evolution of the Greek economy was based on foreign capital investment under the Truman Doctrine and the Marshal plan, which increased after 1960 and expanded seriously after 1967 when the dictatorship took over and banned and oppressed trade unions and opposing political parties. The fall of the dictatorship in 1974 followed a downturn of the economy, which coincided with the global oil crisis and introduced changes to

trade unions. Then, the policies of the conservative New Democracy government along with the economic crisis caused the rise of a socialist government (Pan-Hellenic Socialistic Movement) in 1981. The new government attempted to raise workers' living standards, developed a welfare state and modernized IR through the enactment of Law 1264/1982 'For the Democratization of the Syndicalistic Movement and the Entrenchment of Syndicalistic Rights of EEs' (see the section on the modernization of IR). This signalled a major attempt towards the evolution of institutions in IR as unions were created and operated under the frame of this law, but the impact of the continuous economic crisis contributed to the defeat of the socialists. In 1990, modernization continued by setting free collective bargaining processes with the enactment of Law 1876/1990 by the new conservative government. Nevertheless, the new government followed neoliberal policies with privatizations, which caused economic instability, increased unemployment and declined real wages (Kritsanionis, 1992). These continuous economic changes made Greece vulnerable to the various threats of the world economy, the implications of which affected the evolution of IR, especially trade unionism.

The IR system in Greece prior to 2009 (when the crisis began) was based on employment legislation inspired by the spirit of securing human dignity and the minimum protection of EEs (Karatzas, 2012). Legislation was developed in the context of the principles set by the International Labour Organization (ILO, 2013) and based on ILO conventions, which are considered to be international labour standards regardless of ratification. When a convention comes into force, it creates a legal obligation for ratifying nations to apply its provisions. These conventions were implemented through specific legislation with the aim to protect employment relationships, agreements and salaries and secure standards of security and health at work (Karatzas, 2012).

The IR standards set at the beginning of 1980s and 1990s were institutionalized through the establishment of a free and voluntary collective bargaining system based on social dialogue between EEs and ERs (Karatzas, 2012) and the state aiming to regulate the system through legislative interventions. Since it was a

regulated system, both EEs and ERs were represented by their unions, which are described next.

3.3.1.1. ER Organizations

As concerns the representation of ERs, the Federation of Greek Industries, the General Confederation of Greek Artisans and Handicrafts and the Federation of Greek Commercial Associations were established in 1917, 1919 and 1987, respectively. The legislation of 1955 permitted the establishment of the main framework of IR and entitled the above-mentioned and other subordinate organizations to represent ERs in national collective agreement bargaining processes. Although the Federation of Greek Commercial Associations had 52 affiliated members and it was the most representative organization in the commercial sector, three of its subsectors (about 10%) remained outside, making it impossible to reconcile the different interests of all commercial organizations. The governing bodies of the above-mentioned ERs organizations are also elected from rival political parties (Kritsanionis, 1992).

3.3.1.2. EE Organizations

In an economic environment where unionism and politics are highly associated, EE unionism has been shaped within the developing industrial working class under the central role of the state as the coordinator. Within the legal frame implemented for the establishment of unionism, which is explicitly analyzed later in this section, an occupational and industrial labour union organization first emerged in the 1880s, with multi-union local federations organized further in the early 1900s under the establishment of a central labour supervising body, the Greek General Confederation of Labour (GSEE), in 1918. Similar to ER organizations, the governing bodies of EEs' top associations were highly influenced by rival political parties and their status fluctuated repeatedly in the face of state regulation and repression. Thus, over several decades until 1974, supporters of independent trade unionism were subject to police surveillance, arrest, imprisonment and sometimes worse (Catephores and Tzannatos, 1986, see Kritsanionis, 1992). Nevertheless, trade union leaders developed relations with governments, which led to a kind of

patronage legitimacy since they were financed by the government rather than from members' subscriptions. Then, they were reluctant to act with little interest from workers' representatives. Nevertheless, in 1990 the state subsidy was abolished as a response to the GSEE campaign against government policy and trade unions were left in a desperate financial position. However, even though the system returned later to its previous state subsidy status, the organized political tendencies within the GSEE leadership made them act as the minions of the respective political parties. Moreover, leading members of the unions were offered certain privileges in order to execute their syndicalistic duties as well as unlimited protection for being dismissed from ERs as long as their leading tenure lasted for a certain period. This over-politicization and hyper-protection of unionism, reflecting party political priorities, downgraded the scope and aim of unions and continued to be regarded mostly as instructed and destructive rather than reflecting trade unions' interests and priorities in a constructive way for both stakeholders. Further, the modernization of IR first introduced in 1981 by the rise of the socialist Pan-Hellenic Socialistic Movement and the pace continued in 1990 with the introduction of the new conservative government.

3.3.1.3. The modernization of the IR system

The modernization of the IR system was created through the legislative establishment of institutions, the trade unions and collective bargaining processes institutionalized by the enactment of Laws 1264/1982 and 1876/1990, respectively and based on the above-stated ILO standards and principles.

3.3.1.3.1. Unionism legislation

Law 1264/1982 'For the Democratization of the Syndicalistic Movement and the Entrenchment of Syndicalistic Rights of EEs' was based on ILO conventions. It provided excessive powers to trade unions and protection for their members through a complex of special provisions that entrenched the syndicalistic rights of EEs and adjusted the foundation, the organization, the operation and the action of trade unions as organizations. According to the provisions of article 1 of Law 1264/1982, the basic levels of organizations consist of:

- (a) First-level organizations represent EEs from a particular company or service or a union of persons in a local area,
- (b) Second-level organizations are the Federations and Labour Centres representing at least two unions of the same sector or profession and at least two unions and local divisions having their base within the area of the Labour Centres, and
- (c) The third-level organization is the general co-federation and represents the second-level Unions of Federations and Labour Centres, such as the previously mentioned GSEE for EEs and the Federation of Greek Industries, the General Confederation of Greek Artisans and Handicrafts and the Federation of Greek Commercial Associations for ERs.

3.3.1.3.2. Collective agreements legislation

The rules for collective bargaining during the post-war period were defined by the Law 3239/1955 ‘About form of regulation of collective disputes, establishment of National advisory of council social policy and amendment and completion of Labour Law provisions’ where collective bargaining disputes were resolved directly by the interested professional organizations through the conclusion of collective bargaining agreements. In the case of disagreement, disputes were resolved by compulsory arbitration (i.e. direct state intervention). With the enactment of Law 1876/1990 ‘Free Collective Bargaining and other clauses’, previous legislation was abolished and free collective bargaining rules were set for those EEs working under dependent employment contracts in the private or public sectors of the economy. This law was a radical step towards IR modernization (Kritsanonis, 1992). According to this law, the codification of provisions regarding collective agreements, mediation and arbitration systems were set, defined and enacted. In addition, the content of the salary and non-salary terms and the forms of collective agreements were defined, while compulsory arbitration was replaced by new processes of voluntary mediation and arbitration. Through the effect of this law, collective bargaining detached from the state and was a matter of agreement between the main stakeholders. As for the forms of collective agreements, according to article 3 of the same law, these consist of:

- 1) National general collective employment agreements (NGCEAs), which concern the total workforce of the state,

- 2) Sectoral, which concerns the EEs of similar or related professions in a sector,
- 3) Corporate (or works councils), which concerns the EEs of a particular firm or enterprise,
- 4) National co-professional, which concerns the EEs of a particular profession or related specialties of a particular city or region,
- 5) Local co-professional, which concerns the EEs of a particular profession or related specialties of a particular city or region.

NGCEAs are concluded between third-level labour organizations and the widely representative organizations of ERs. Sectoral collective agreements are concluded between first- and second-level labour organizations and ER organizations.

Corporate collective agreements are concluded between the works councils of EEs, irrespective of category, position or specialty; when these do not exist, they are concluded by first-level sectoral organizations and ERs. This type of agreement, rather than the private sector, was widely used in large state-owned monopoly corporations such as the welfare companies Public Power Corporation (DEI S.A.) and Hellenic Telecommunications Organization (OTE S.A.). National co-professional collective agreements are concluded between the first- or second-level co-professional labour and ER organizations at the national level. Local co-professional collective agreements are concluded between the first- or second-level co-professional labour and ER organizations at the local level.

The principles established by the enactment of Laws 1264/1982 and 1876/1990 contributed to the development of the so-called 'Social State'. This part of the state aims for the protection of the lower level of life, not only the economic but also the social recognition of the weakest social groups whose only means to survive is their work. Social partners recognize the contribution of this legislative regime to peace in the work environment as the necessary and most secure background for the operation of the social state (Karatzas, 2012). The establishment of institutions (trade unions and collective bargaining) in the Greek IR system and protection of the weakest social groups in terms of employment through volunteer or non-

volunteer bargaining, arbitration and negotiation processes characterize the social state and define similarities in line with the institutional school.

The above legislative provisions, depending on the possibility of being misused by the key stakeholders, were beneficial or catastrophic for both actors and society in general. As mentioned before, a distinctive characteristic of trade union associations was their financial dependency on state funds, making them vulnerable in the selection of their leadership, a fact that provided political influence in the labour movement through state intervention (Sotiropoulos, 2012).

Nevertheless, Kritsantonis (1992) asserted that Greece remained marked by an ‘immature’ system of IR as the organized labour movement of unions failed to make a positive contribution to socioeconomic development by often acting destructively against the economic development policies of ERs and the state. Further, it failed to provide a positive stance on the ER–EE relation, the so-called ‘value-added component of IR’. As an example, salaries and wages were increasing systematically by consecutive annual collective agreements at all levels regardless of annual productivity and growth rates owing to the unilateral decisions of the independent arbitration body. This happened because both Laws 1264/1982 and 1876/1990 provided excessive power (voluntary and unilateral appeal to arbitration, protection of their leaders against dismissal, special syndicalistic leaves, non-voluntary and unilateral increases of salaries and wages, etc.) to trade unions and their members, causing further ‘obstacles’ to industry competitiveness. This fact inspired the Troika to implement substantial legislative changes towards the deregulation of the IR system in Greece, namely the deconstruction of institutions. Therefore, in order to assess the misuse of privileges and rights, both Laws were heavily amended by the new legislation (Laws 3845/201, 4046/2012 and 4093/2013, the so-called Memorandums I, II and III, respectively) towards the flexibilization or deregulation of IR.

In order to provide a better understanding of the above-stated IR system inspired by complex and peculiar legislation in Greece, it is interesting to refer to DBA document 3, which outlines the impact of smaller crises on IR and the solutions

employed in the construction industry in the post-2004 Olympic Games period (these may be called ‘mini crises’ in comparison to the current time). At that time, with the aim of gaining corporate competitiveness during recessionary periods and under the previously stated regulated and peculiar IR system, several hybrid solutions were created in the context of increasing the flexibility in employment relationships.

3.3.1.4. The Mini Crises

The previous mini crises in the construction industry were mainly caused by project temporariness, which occurred from a lack of projects due to an economic recession in the post-Olympic Games period. Therefore, the description and debate of the subject of this thesis is helpful to conceptualize better the impact of the institutions provided by the regulated Greek IR system before the crisis and the responses of the actors to the applied flexibility of employment relationships.

The research findings from DBA document 3 was realized in the period of 2008–2009, the start of the world economic crisis. It reflects the interpretive research process and the actors’ (stakeholders’) understanding of the deployment of alternative flexible employment practices (AFEPs) for gaining corporate competitiveness and feasibility under the previously stated regulated IR system in the construction industry after the Olympic Games. The sources of the crisis at that time were the economic slowdown due to the stopping of the construction of Olympic projects that caused recession and unemployment in the construction industry. The similarity of the previous research with the current one is the generation of recession per se, which originated from the temporariness of projects and, in the current case, from the public debt crisis. In order to resolve the recession and increase employment, it was necessary to find ways to overcome the lost competitiveness of that time within a restrictive and regulated legislative IR environment that provided excessive power to trade unions and its members. Another similarity between mini crises and the current subject is finding ways to face the impact of an economic crisis on IR: for the past case, through the manipulation of AFEPs according to corporate needs,, and for the present case through the implementation of austerity reform measures. These may have

deregulated and disintegrated the established IR system and its institutions with major consequences for weak stakeholders in terms of gaining competitiveness.

The major attribute to regaining corporate competitiveness was the management of operational costs (internal devaluation). In order to reduce operational costs, companies desperately sought solutions by counterbalancing employment practices according to their needs based on project temporariness and the recession. ERs' needs included greater employment flexibility by using the necessary personnel when they needed to without legislative regulation such as deliberating/cancelling dismissal limitations for EEs at the end of every project and using other less expensive AFEPs (freelancers, subcontractors, etc). In sharp contrast with today's situation, the government regulation at that time (as mentioned in the section on the Greek IR system before the crisis) rather provided a vulnerable system that protected employment relationships through the existence of a specific, complex, difficult to apply and controlling legislative frame focused more or less on providing excessive rights and privileges at the expense of competitiveness and growth. Therefore, ERs developed the above-mentioned concept of AFEPs as a hybrid solution in order to overcome the slowdown in the industry and increase corporate competitiveness; however, instead of manipulating hybrid solutions, they preferred a change through legislative provisions.

The term flexibility in IR started to be used gradually (Kyriakoulis, 2012) with part-time and fixed-term employment or flexibility in working time. Even though this created conflicts between stakeholders, particularly EEs, the manipulation of flexible solutions such as the use of AFEPs undoubtedly changed IR at that time.

This interesting change in IR was perceived in a different way by all stakeholders. For example, EEs' assertions at that time show that unrestricted and intransigent flexibility measures, derived from any source, had already had a negative social impact on employment relationships, especially from the labour unions' perspective. The different stances of stakeholders were reflected especially when

‘There was not a particular position that dominated the views on the key issue of recommending changes. There was not a total acceptance of what was called neo-liberal deregulatory measures, which means there was not a total acceptance for changing employment relationships and moving towards a total, flexible employment market. Most of the respondents perceived that any change in employment relationships should be applied, only if it was to occur gradually and progressively within a bona fide social debate and with mutual consent of the two basic stakeholders; ERs and EEs.’ (DBA document 3)

Therefore, the responding stakeholders agreed to disagree on any change towards more flexibility if it was not derived from mutual consent, which was a very difficult task to obtain. Further, they agreed that ERs and the economy were benefiting from using flexible employment practices (FEPs), whereas EEs lost out. The sense of losing derived from the notion that all proposed or applied FEPs focused on resolving corporate competitiveness issues, thereby disregarding EE job insecurity; a similar scope was adopted in the current crisis with the imposition of reform measures (see next section ‘The IR system after the reform measures’). Furthermore, the responding stakeholders considered the establishment of preceding AFEPs, either formal or informal, to be a weakening factor of EEs’ power of negotiation but this fact signalled the contemporary evolution of IR, which unilaterally relied only on EEs’ forced or non-forced consensus, a fact that was not based necessarily on social consensus.

The above-stated findings, notions and assertions remain to be researched further in this thesis under the context of the current crisis situation with the reform measures imposed without the fundamental consent of the weakest stakeholders, EEs, making the DBA document 3 case a continuation of the current subject.

Moreover, this thesis offers information on how the previously regulated IR system, which was based on institutions, was possibly transformed by the use of a conceivable revocation of existing legislative adjustments to become a system similar to the labour market or management school concepts. Thus, this

fundamentally denies the existence of conflict between actors and the need for regulatory labour representation by creating a new legal frame in favour of ERs' need to increase competitiveness by minimizing operational costs in Greece. It also covers global tension, focusing on improving the future interests of EEs but against their present interests. If the aim is only to adhere to the unitarist view of creating a system similar to the labour market or management schools, which consider the interests of labour and capital to be the same, one question arises: which mechanism facilitates a balance in the forthcoming conflict of interests between EEs and ERs?

Similarly, ERs may assert that there is no future without an attempt to maximize economic utilities by improving an economy's competitiveness in the context of improving the IR system for the benefit of labour and society in the future. Therefore, interest moves to the following section where the presentation, analysis and debate of the IR system after the reform measures is presented with the aim of describing other solutions to confront or prevent the possible conflict between the key stakeholders.

3.3.2. The Greek IR system after the reform measures

As mentioned in the introduction to this thesis, the current socioeconomic crisis directed Greece to resort to the international loan mechanism agreed with the Troika. In the context of the support offered, radical reform measures were introduced by the Troika with great impact on the country regulated and characterized by the above-mentioned IR system. The demands of the Troika were implemented with substantial legislative changes to the Labour Law that came out of the negotiations between the Troika and the government of Greece.

The new element of this reform process was that the negotiating social partners at this time were only the state and the Troika, as EEs were not represented by trade unions because they were opposed to any change against labour-vested institutional rights. This is an interesting fact because this downgraded in a forced way the role of trade unions and EEs in general as key stakeholders of IR, as they were replaced by the state, which became both the regulator of the system and the negotiator with the Troika. Therefore, this fact represented a vital change from the established principles of the institutional school (or the ‘economic–industrial democracy’ or ‘social state’ unionism), which was inspired by the spirit of securing human dignity and providing the minimum protection to less powerful actors. This relates to Hyman’s paradoxes of ‘market-oriented’ unionism, which is based on the market’s needs (or the Troika’s demands) for reform measures, with the total deregulation of the established regime of IR. In turn, this was inspired by solutions aiming to restore competitiveness against the interests of the weakest partner, EEs, promising a better future for them but determining negatively the course and the processes in the future development of the role of the IR system in Greece in terms of serving as a conflict control facilitator. These reform principles might be similar to those of the labour market and management schools, a key research point of this thesis that is necessary to determine the balance of power between stakeholders. To better understand the above statement, the presentation of the legislative reform changes needs to be stated.

3.3.2.1. The new legal frame – State intervention in IR

Legislative changes actually followed the gradual flexibilization process that originated in the 1980s and 1990s when measures of labour flexibility were introduced and institutionalized, marked by a regulated and ‘immature’ IR system in Greece and characterized by ineffective unionism, which had not yet provided positive socioeconomic development. Flexibility in employment at that time consisted mainly of flexible working hours as well as part-time and fixed term employment. By the end of 2009, when the economic crisis evolved into a public debt crisis, the government’s policies aimed – with the following memorandums – to implement strict fiscal and IR austerity measures in order to restore competitiveness.

3.3.2.1.1. Memorandum I

The first legislative intervention that led to changes in IR was attempted in May 2010 with the enactment of Law 3845/2010 ‘Steps for the application of the support mechanism of the Greek economy from the euro area Member States and the IMF’, the so-called Memorandum I. Through Memorandum I, the legislative changes to IR focused on a series of state interventions to strengthen the state’s involvement in wage determination in the private sector. This was not through free collective bargaining between the key social partners (EEs and ERs), but rather focused on implementing individual IR contracts and changing their content, scope and power, thus weakening the institution of collective agreements regarding employment conditions and the broader functioning of the labour market. As a result, these reform changes started the formation of a completely new liberated IR system in Greece with the aim of restoring the competitiveness of the economy by drastically reducing the cost of labour (so-called internal devaluation) and the legal imposition of comprehensive IR flexibility (Kyriakoulis, 2012).

3.3.2.1.2. Memorandum II

The second state intervention was the enactment of Law 4046/14.02.2012, ‘Approval of Financial Assistance Facility Agreement between the European Financial Stability Facility, The Hellenic Democracy, the Bank of Greece, the

Memorandum of Understanding between the Hellenic Democracy and the European Commission and the Bank of Greece and other emergent provisions for the reduction of public debt and the saving of the national economy', herewith called Memorandum II. Memorandum II, through the adoption of the Ministerial Cabinet Act number 6 of 28 February 2012, included several additional 'structural' measures. Through this new legislation, structural changes were adopted in employment relationships, agreements/salaries and longstanding laws, principles and practices in the IR system in the manner of all collective agreements and arbitration processes in the private sector. The three basic changes were to the minimum level of salaries and wages, collective employment agreement (CEA) rules and arbitration processes.

1. Minimum level of salaries and wages

As of 14.02.2012 and up to the completion of the fiscal adjustment programme, the Law along with the Ministerial Cabinet Act number 6 adopted the reduction by 22% of the minimum levels of salaries and wages of the NGCEA as applicable on 1.1.2012. Especially for young EEs up to the age of 25 years, regardless of professional category and sector including trainees, the reduction was 32% on the above-mentioned levels of the NGCEA. Moreover, these reductions were subject to the discretion of ERs, who may unilaterally use the reduced above-mentioned salary and wage levels for new hired personnel. Therefore, salary and wage levels from 14 February 2012 are set to EUR 586.08 (from 750.65, reduced by 22%) and EUR 510.95 (from 750.65, reduced by 32%) for EEs over and up to 25 years of age, respectively and EUR 26.18 (from 33.54, reduced by 22%) and EUR 22.83 (from 33.54, reduced by 32%) for workers over and up to 25 years of age, respectively.

2. CEA rules

For the other categories of CEAs and arbitration decisions, the option to conclude CEAs for an indefinite period of time is repealed; onwards, CEAs will be concluded on a fixed term basis ranging from 1 to 3 years. As to the CEAs of indefinite time, which on 14.2.2012 were in force for 24 months and above, expire on 14.2.2012 unless they have been terminated earlier. The CEAs of indefinite

time, which on 14.2.2012 were in force for less than 24 months, expire after the completion of 3 years from their commencement date unless they are terminated earlier. The CEAs of definite time, which on 14.2.2012 were in force, expire on the defined date unless they expired earlier. In all the above-stated cases, CEAs that have expired will remain in force for a period of a maximum of 3 months. If a new collective agreement is not settled, after this period, remuneration will revert to the base wage and allowances for seniority, child, education title and hazardous professions will continue to apply until replaced by those in a new collective agreement or in new or amended individual contracts. All other terms and allowances cease automatically without the consent of EEs.

Therefore, the after-effect principle of CEAs has been altered to ensure that ERs are not obliged to pay all allowances and bonuses contained in previous agreements, but only the base salary of that agreement (sectoral, occupational or firm-level or works councils agreement) and only the allowances related to seniority, child, education and hazardous work. Special provision has been made to freeze seniority; that is, every regulation or provision referring to the seniority allowance is suspended unless the unemployment rate falls below 10%, and accepted only the obtained up to 14.2.2012. Additionally, another very important change is the abolishment of the marriage allowance for married EEs, which influenced negatively the salaries of EEs (reducing it by more than 10%). This further complicated family budgeting and hampered the existence of families as an institution for the evolution of the workforce, influencing the integrity of the social tissue in an organized society.

3. Arbitration processes

The legislation for arbitration processes is revised so that arbitration takes place when agreed by both EEs and ERs. Additionally, arbitration applies only to the establishment of base salary and wage and not to other remuneration considerations and issues such as allowances, benefits or institutional regulations.

3.3.2.1.3. Memorandum III

The third state intervention was the enactment of Law 4093/12.11.2012, ‘Approval of Medium-Term Fiscal Strategy 2013-2016 Emergency Measures for the implementation of Law 4046/2012 and the Medium-Term Fiscal Strategy 2013-2016’, herewith called Memorandum III. Memorandum III, in regulating the interim financial strategy framework for the period 2013–2016, introduced the following significant amendments to employment issues.

1. Reassessment of the nominal minimum salaries and wages

Until the end of the financial adjustment programme provided by the memorandums, the legal minimum salary and wages for EEs will be determined by the Ministerial Cabinet Act No 6/28 February 2012, that is from 14 February 2012 EUR 586.08 (from 750.65, reduced by 22%) and EUR 510.95 (from 750.65, reduced by 32%) for EEs over and up to 25 years of age, respectively and EUR 26.18 (from 33.54, reduced by 22%) and EUR 22.83 (from 33.54, reduced by 32%) for workers over and up to 25 years of age, respectively.

Through Memorandum III, a new reassessment system effective from 1 April 2013 is legislated for determining nominal minimum salaries and wages. According to this provision, the legal minimum salary and wage for EEs in the private sector, as determined by a Ministerial Cabinet Act and signed during the first quarter of 2013, will be reassessed during the first quarter of 2014 based on the simplicity and effectiveness of its application, change in unemployment, productivity and competitiveness rates of the economy. It is important to mention that a consultation between the stakeholders will take place to determine minimum salaries and wages. The conclusion of the consultation along with propositions will be composed, but these will not be binding for the Minister of Labour in his decision on the determination of minimum salaries and wages. Salaries and wages set in employment agreements or collective labour agreements cannot be less than the above-stated minimum salaries and wages. The limitation of jurisdiction between social partners is an actual fact since the government unilaterally determines the salary terms under the above-mentioned specific legal frame, leaving the key

stakeholders, EEs and ERs, to determine only the non-salary terms of employment; this is the state's intervention in the pinnacle of its glory (Gambroudis, 2013). This change was heavily criticized by GSEE (2013), as it is a matter of unprecedented intervention and it violates the provision of article 22, par. 2 of the Constitution for the ancillary role of state regulation.

2. Jurisdiction of future NGCEAs

Through the enactment of Memorandum III, the jurisdiction of future NGCEAs will be limited to determine only the minimum employment terms not related to salaries and wages, which will apply to the labour force throughout Greece.

The employment terms of NGCEAs and other categories of CEAs will be applicable only to the members of the concluding ER and EE associations.

Therefore, it is evitable that ERs, in order not to be bound by new future CEAs, may cancel their membership of associations well in advance of any conclusion.

The paradox is that the meaning of the words National and General included in the NGCEAs do not coincide with its field of force, as it binds only the concluding associations and its members (Gambroudis, 2013).

3. Maturity allowance

The maturity allowance continues to apply as provided in the Ministerial Cabinet Act No 6/28 February 2012, but it is payable only for services completed until 14 February 2012, whereas any term of service accumulated after 14 February 2012 is not recognized until the unemployment rate falls below 10%.

4. Marriage allowance

Marriage allowance (10% of the basic salary or wage) based on the NGCEA is abolished.

5. Severance compensation

The legislative provisions regulating severance compensation for EEs are amended with the introduction of a double system of severance compensation, which will apply to EEs (a) whose term of service ranges from one completed year to 17 years and (b) to those with 17 completed years and more. Consequently, in the case of

termination with immediate effect, the severance compensation for EEs having completed 17 years of service under the same ER is unaffected. In the case of the dismissal of an EE having completed 17 years of service or more under the same ER, severance compensation is provided in addition to the above. However, this depends on the EE's period of service as effective to the date of the publication of the law (and not on the date of their dismissal), taking into account the monthly salary up to EUR 2000.

3.3.2.2. Contradictions in the legislative changes to EU policies

Although the above-mentioned legislative changes imposed by the Troika's demands disintegrated and deregulated employment relationships in Greece, it is interesting to mention some of the contradictions to the above and the EC's policies regarding the scope of the Labour Law for employment in the EU. According to the EC's 'policies and activities' section of its website (see <http://ec.europa.eu/social/main.jsp?catId=157&langId=en>), the adoption of legislation setting minimum requirements has improved labour standards and strengthened workers' rights and this is one of the EU's main achievements in the field of social policy. Initially, the EC Labour Law was designed with the aim of ensuring that the creation of the single market did not lead to a lowering of labour standards or distortions in competition. Today, the Labour Law also has a key role in ensuring that a high level of employment and sustained economic growth is accompanied by continuous improvement in living and working conditions throughout the EU.

3.3.2.3. Summarizing thoughts - the impact of the new legislation on IR

In contrast to the above contradiction, according to Metzitakos (2012), whatever was built in the recent past in the field of the Labour Law as a part of social policy has tumbled down during recent years. This has happened by applying deliberate legislative 'surgical' operations interventions in order to position EEs within a newly developed system that disintegrates and directs the social tissue of the country to catastrophic situations. The same author mentioned that the new legislation imposed by the orders of the memorandums (i.e. for the decrease in

public debt, growth, competitiveness, etc.) inserted new institutions and new legal schemas, patterns that developed rapidly against labour employment rights and privileges. The collapse of the previous Labour Law legislation focused on the cancellation of collective labour agreements and arbitration provisions, which led to a lack of respect for economically weak social groups by worsening their living and working conditions.

Nevertheless, the transition through the violation of vested labour privileges and institutions (Metzitakos, 2012) may have increased insecurity in terms of minimum protection terms for EEs, whose need for higher protection against the strongest part of the contract, ERs, is always under dispute. As an example, until November 2012, the lowest salary and non-salary employment terms were assessed by social partners through NGCEAs and were valid for the entire labour force in Greece. This setting in force of legislations (the clauses of Act 4046/12 (Memorandum II), the Ministerial Cabinet Act 6/28.2.2012 and Act 4093/12.11.2012 (Memorandum III)) removed from key stakeholders the right to assess the minimum salary limit. From 28th February 2012 until 31st December 2016, the lowest salary level was determined to be about 22% less than the previous set level as mentioned before. From 1st January 2017, the determination of the new lowest salary limits will be legislated unilaterally by the government by taking into consideration the general economic situation and its prospects for development in terms of productivity, prices and competitiveness, employment and unemployment levels and income salary levels. Thus, the rights of the key social partners to assess the minimum protection covered by the NGCEA, the lowest salary, is removed with coercion acts. As a result, the jurisdiction of the NGCEA as an institution is limited only to the assessment of non-salary employment terms (Metzitakos, 2012); thus, the latter acts have succeeded in the unprecedented deinstitutionalization of the NGCEA (Metzitakos, 2013).

The above-mentioned labour market reforms, described before as ‘structural’ rather than quick fixes, should make a large impact over time with the goal of making the Greek economy competitive again (BBC News, 2012). Unfortunately, after the enactment of the last legislations (memorandums), the principles of the

anthropocentric social state were replaced by the prevailing materialistic values (Karatzas, 2012).

Nevertheless, the state's and Troika's aim of the new legislative frame is to increase the competitiveness of the economy and fight against unemployment through the decrease of production costs. This aim is successful, as the new legislation downgraded the power of trade unions by not representing individuals in employment relationships and traditional collectivism is greatly reduced, which is the problem of IR (Beardwell, 1997, see Rose, 2004). Additionally, the aim of this deregulation is to promote the adjustment of the terms of the salaries and wages of CEAs to the continuously changing economic conditions, with the ultimate aim of increasing corporate competitiveness and decreasing unemployment (Leventis, 2012). Therefore, there is a vital interconnection between the successes of the former for the achievement of the latter.

Thus, in the middle of a transitory period, the crisis and imposed austerity measures move IR from the traditional institutional school norms of the economic democracy of Hyman (2011) into various liberated forms. These forms are more likely to lead IR to disintegration and deregulation and result in great insecurity for weak stakeholders, who are all in favour of the minimization of employment costs for empowering competitiveness to resolve the sovereign public debt problems within the frame of the current socioeconomic environment. While this might be necessary from ERs' perspectives, it disregards the validity of a fair institutional system that balances the conflict of power and defines the mutual rights and liabilities of the key stakeholders that bind their relationship. Therefore, the power of EEs is considered to be weaker than before. However, in an organized and fair society, the state should revert and manage to take preventive measures in order to provide benefits that lead both stakeholders to a decent and prosperous life.

Summarizing the above-stated debate, the IR system in Greece, which is influenced by the imposition of new legislative measures, has the following characteristics: a deregulated and deinstitutionalized IR system with a lack of conflict control mechanisms, very weak and ineffective labour unionism, collective agreements

cancelled except the limited power of NGCEAs, minimum salary and wages reduced and controlled by the state, and the state's and the ERs' role being upgraded to become the main powerful actors.

What we have learned about the conditions of IR in Greece in the previous sections offers an understanding of how the system has changed in favour of ERs.

Nevertheless, any conclusion about the success of the application of the reform measures is difficult and risky to obtain. Therefore, it is interesting to view the empirical part of this thesis and filter the perceptions of interviewees with the above-stated information, theories, notions and facts in order to provide further insights and thus answer the research questions.

CHAPTER 4

RESEARCH APPROACHES AND FINDINGS

4.1. Methodology

The interpretive approach/non-survey research and quantification of findings

In DBA documents 3 and 4, interpretive and positivist research approaches were employed to collect and develop knowledge on the respective subjects. To determine the appropriate method for analysing the findings of this thesis, a brief definition of both approaches is provided here.

In the positivist approach, knowledge is developed from a cause and effect perspective, using theories for measurement and observation of phenomena, experimenting and surveying the data collected through predetermined instruments that yield statistical data (Creswell, 2003). The positivist approach aims to generalize the findings derived from the measurement and quantification of phenomena, based on cause and effect (Flick, 1998, see Denzin & Lincoln, 2000, p. 9).

However, in defining a more recent methodological approach to non-survey methods of research, many writers, such as Creswell (2003), Bryman and Bell (2003), Denzin and Lincoln (2000), Weick (1995, 2001) and Tietze et al (2003), amongst others, have proposed an interpretive approach to knowledge inquiry in contrast to the epistemologically positivist approach. Knowledge assessment is realized through the interpretive approach, which uses inductive strategies to obtain knowledge. Instead of starting from theories and testing them, the researcher – in searching for a view of reality among multiple realities (Charmaz, 1993, see Denzin & Lincoln, 2000, p. 523) – makes knowledge claims based primarily on constructivist perspectives. These are the multiple socially and historically constructed meanings of individual interviewees' experiences or perspectives, used to develop a theory or pattern (Creswell, 2003). Constructivist grounded theory creates knowledge through the study of experiences from the point of view of those who live them (Charmaz, 1993, see Denzin & Lincoln, 2000, p. 522).

The interpretive process in this research is based on reflexivity. This includes interpreting the data to develop a description of individual perceptions or settings, analysing the data for themes or categories, categorizing the key findings and reflecting on them through introspection and acknowledging the biases, values and interests of respondents in relation to the specific subject (Creswell, 2003). Data collection takes place through open-ended interview questions with the purpose of not limiting the expression of interviewees' notions, meanings and assertions and the emerging data are used to develop themes (Bryman & Bell, 2003; Creswell, 2003).

These meanings and assertions are subjective and constructed using views from multiple actors and depend on their power assumptions (Tietze et al, 2003). To exemplify this notion, meanings are formed through interaction and through historical and/or cultural norms that operate in individual actors' lives. More explicitly, to understand the historical and cultural settings of the participating actors, it is necessary to focus on the specific contexts in which they live, their backgrounds, how they identify themselves, how they think and what mechanisms they use for perceiving, interpreting, believing and behaving regarding a specific subject (Weick, 1995).

The value of the interpretive approach is based not only on the implementation of the constructivist perspective but also the intention of the researcher in expanding this to make sense of (and/or interpret) the multiple meanings which others hold about the world (Weick, 1995). It is also the case that the researcher's interpretation might be influenced by subjectivity, derived from his or her own cultural and historical experiences, in terms of the way views and understandings are expressed. If this were not the case, meanings and outcomes accrued only from the objectivity that characterizes the positivist approach would represent only a single-minded understanding of the world.

Therefore, I decided to use the seven properties of Weick's (1995, 2001) sensemaking theory to develop a way of expressing how individuals created their

understandings of the subject, at least partially as a complementary source to the other focus of my project which is to reveal, explain and interpret the perceptions of the stakeholders' understandings around the subject, getting closer to the actors' perspectives through detailed interviewing, observation and reflexivity. Therefore, Weick's seven properties were used in the analysis of the interviews to add insights.

To provide a better understanding of the research process, the seven properties of Weick's (1995, 2001) sensemaking theory are described. According to Weick (1995, 2001) sensemaking begins with each sensemaker asking the question: 'How can I know what I think until I see what I say?' This question is answered through analysis which has seven properties, each of which is summarized below, together with an explanation of how they have been employed in relation to the interviews in this thesis:

1. **Personal identity:** According to Weick (1995, 2001):

'Identity: The recipe is a question about who I am as indicated by the discovery of how and what I think.' (1995, p. 61). 'A person's sense of who he or she is in a setting; what threatens to this sense of self the setting contains; and what is available to enhance, continue, and render efficacious that sense of who is all provide a center from which judgements of relevance and sense fan out. When identity is threatened or diffused, as when one loses a job without warning, one's grasp of what is happening begins to loosen.' (2001, p. 461)

In this research, identity is used to identify the individual interviewees, the category to which the actors/stakeholders belong and what they represent in terms of their positions of power in society. The formation of the personal identity of all interviewed actors is examined to understand how they see themselves from their personal perspectives and social position in the context of the impact of the financial crisis on IR and the key stakeholders. Considering these aspects with respect to their social position and the uneven distribution of power between the actors might reflect the influence they exercise on the views the participants express on the subject.

2. **Retrospect:** According to Weick (1995), in order ‘to learn what I think, I look back over what I said earlier’ (p. 61). Weick (2001) argued that ‘sensemaking is influenced by what people noticed in elapsed events, how far back they look, and how well they remember what they were doing. When people refuse to appreciate the past and instead use it casually, and when they put their faith in anticipation rather than resilience, then their acts of retrospect are shallow, misleading, and halfhearted, and their grasp of what is happening begins to loosen.’ (p. 462). He (1995) also argued that people act first and then make sense of their actions later. In other words, they know what they have done only after they have done it. In this research process, this property is used to learn what the interviewees or others think and feel about the subject by reviewing what they said, did and experienced. Thus, the sensemaking of the change in employment relationships is probed to examine whether it might be influenced by what the actors notice in elapsed events if they happened to have the experience of their elapsed acts. The same can be perceived in facing crises.
3. **Enactment:** According to Weick (1995), ‘I create the object to be seen and inspected when I say or do something.’ (p. 61). He (1995) argued that ‘Action is a means to gain some sense of what one is up against, as when one asks questions, tries a negotiating gambit, builds a prototype to evoke reactions, makes a declaration to see what response it pulls, or probes something to see how it reacts. Having done any of these interventions in the interest of sensemaking, one will never know for sure what might have happened had no intervention been made. It is that sense in which, part of what one sees in any moment of sensemaking is a partial reflection of oneself. But to stay detached and passive is not to improve one’s grasp because much of what any situation means lies in the manner of its response. When probing actions are precluded, or avoided, or unduly narrow, it becomes more difficult to grasp what one might be facing. (The whole recipe works only if I produce some object in the first place that can be scrutinized for possible thoughts and feelings).’ (p. 463).

In this study, as people (the interviewees) construct their realities, we can learn how they choose to present things, processes, effects, situations and realities regarding the consequences of the crisis in IR. Sensemaking in this form is presented through action in order to gain understanding. Action is helpful for evoking reactions, but in a form to see and probe what response it yields at any time of the intervention. The notion of what any situation means lies in probing the manner of its response. Therefore, this form might focus on the necessary actions in applying the new legal frame with the reform measures in IR for the attainment or improvement of corporate competitiveness in the Greek industry in order to reveal and examine the actors' responses and reactions. In addition, this method might reveal some new and useful proposals from actors in grasping what the research is probing.

4. **Social context:** According to Weick (1995), 'What I say and single out and conclude are determined by who socialized me and how I was socialized, as well as by the audience I anticipate will audit the conclusions I reach' (p. 62). Weick (2001) argued that, 'Sensemaking is influenced by the actual, implied, or imagined presence of others. Sensible meanings tend to be those for which there is social support, consensual validation, and shared relevance. To change meanings is to change the social context. When social anchors disappear and one feels isolated from the social reality of some sort, one's grasp of what is happening begins to loosen' (p. 461).

As sensemaking is not isolated but social, here it is employed in dealing with how interviewees understand the impact of the crisis in IR and how these changes have affected or been perceived by society. The achievement of corporate competitiveness through the current 'deregulation' of employment relationships with the use of the new austerity measures is probed to examine whether the social partners consider it to be a major social event. How are the attempted changes considered to be social and how will society audit these changes? Furthermore, the analysis of the frame regarding the socialization of the changes might reveal if the success of these changes depends on change in the social context of employment society (labour force). It might also reveal

whether the social response is positive or negative in a sort of a social reality. Otherwise, any change, regardless of its size or progress, is determined to be a unilateral contest without consensus, which may lead to unpredictable results.

5. **Ongoing flows:** According to Weick (2001):

‘Experience is a continuous flow and it becomes an event only when efforts are made to put boundaries around some portion of the flow, or when some interruption occurs. Thus sensemaking is constrained not only by past events, but also by the speed with which events flow into the past and interpretations become outdated. The experience is gained when people are thrown into the middle of things and forced to act without the benefit of a stable sense of what is happening. These handicaps are not attributable to personal shortcomings but rather to the stubborn, ongoing character of experience. When people lose their ability to bound with ongoing events, to keep pace with them by means of continuous updating of actions and interpretations, or to focus on interrupting conditions, they begin to lose their grasp.’ (p. 462)

In this case, the ongoing flows of events are used to provide experience under the aforementioned circumstances which, under the impact of the crisis, will reveal experience from the perspective of an evolution of events understood by the actors. The sensemaking of events is increased when efforts are made to put boundaries around the current flow of events. Thus, the sensemaking of actors is constrained not only by elapsed events but also by the evolution of events and the experiences gained from the bounding of this continuous flow. The continuous flow of events characterize the rapid technological progress, which, with the increased competition stemming from globalization, changed consumer demand, signified the growth of various sectors, revealed the questionable sufficiency of the pre-crisis legal frame in IR and resulted in the need to examine the validity of the new legal frame for the ‘modernization’ of IR. Consequently, this study examines how this sensemaking process accommodates actors in the flow of experience and how it enables them to keep

up with dynamic events: the adequacy of the new legal frame for IR or the general failure to apply the new austerity measures in facing the debt crisis.

6. **Extracted cues:** According to Weick (1995):

‘The “what” that I single out and embellish as the content of the thought is only a small portion of the utterance that becomes salient because of context and personal dispositions.’ (p. 62)

Weick (2001) claimed about salient cues that:

‘If sensemaking is about nothings else, it is about the resourcefulness in ways with which people elaborate tiny indicators into full-blown stories, typically in ways that selectively shore up an initial hunch. The prototype here is a self-fulfilling prophecy or an application of the documentary method. Both elaborate an initial linkage between a particular and a category into a confident diagnosis through successive rounds of selective search for confirming evidence. Thus both individual preferences for certain cues as well as environmental conditions that make certain cues figural and salient affect one’s sense of what is up. When cues become equivocal, contradictory, or unusable, either because individual preferences are changing or because situations are dynamic, people begin to lose their grasp of what is happening.’ (p. 462)

This property examines whether and how the sensemaking of the actors is affected by their extracted and selective cues, which might also derive from their resourcefulness and self-fulfilment. This sensemaking process will help us probe the actors’ understanding of facing the impact of the crisis by increasing flexible employment and the deregulation of IR in industry, expressing or reflecting on the cues they have regarding the changes in work practices. Although these circumstances are not always happening, these will reveal what interviewees extracted from what they, or others said, did and experienced around the current subject.

7. **Plausibility:** According to Weick (1995, 2001):

‘I need to know enough about what I think to get on with my projects, but no more, which means sufficiency and plausibility take precedence over accuracy. (p. 62)

Weick (2001) also argued on sense which is driven by plausibility rather than accuracy that:

‘As sensemaking is about coherence, how events hang together, certainty that is sufficient for present purposes, and credibility. Plausibility should not be mistaken for fantasy, however, because a sense that survives has been influenced by the other six properties. Thus, plausible sense is constrained by agreements with others, consistency with one’s own stake in events, the recent past, visible cues, projects that are demonstrably under way, scenarios that are familiar, and actions that have tangible effects. When one or more of these sources of grounding disappears, stories may strain credibility, leave too many cues unaddressed, or impossible to compose, in which case people begin to lose their grasp.’ (p. 462)

Plausibility is driven by sources of surface groundings, based on intuitive actors’ judgments of plausibility and not on carefully calibrated rational evaluations. The examination of this form will reveal the actors’ sensemaking of the imposition of austerity measures, such as increasing employment flexibility, for the attainment or improvement of corporate competitiveness in facing the debt crisis in the example of the construction industry, in terms of the extent to which this is based on plausible cues and their identity and origin. Thus, this property is employed to provide an understanding of what interviewees as stakeholders thought or perceived (according to their intuitive judgements of plausibility) to support their views and keep their perceptions grounded.

The other focus of this thesis in the analysis of the findings is implemented using the content analysis grid, given in Appendix I, which was used to quantify the accumulated answers of respondents. There are multiple reasons for my decision to use the content analysis grid. First, the vast data collected from the interpretive approach need somehow to be measured in a simple way. As positivist methods

provide very interesting data on how much and how many, the underlying idea is to obtain findings (data) and accumulate and present them in such way as to derive insights through the content analysis grid. Second, I believe that the idea is not only to determine the positive or negative stances on the impact of the crisis in IR, but also to show through this analysis what underlying conditions and dynamics were at play and how respondents perceived the problems of the reform measures and the change in the institutions of the IR system in Greece. This includes how they viewed the deinstitutionalization of IR, which resulted in the lack of conflict control mechanisms and changed the balance of power between stakeholders. Therefore, a complex of the aforementioned methods was employed, each one comprising a complementary part of the research approach for knowledge in the exploration of the subject of the thesis.

Within the scope of the study, the main vehicle employed for the collection of data was interviews. Therefore, the description of the interviews, stakeholders' categories, means of interviewing, time needed, place of execution and method of data analysis are stated in the following section.

4.2. Data collection – interviews

As interviews generate useful information about lived experience and its meanings (Denzin & Lincoln, 2000, p. 633), face-to-face interviews were the main vehicle of the thesis for collecting data to respond to the research questions. In addition to conducting 19 individual interviews, the research findings process included regular day-to-day or month-to-month communication with the interviewees for approximately one year to maintain a connection with them and to maintain up-to-date data concerning their views and perceptions adopted regarding the subject matter.

4.2.1. Interview description

In terms of the face-to-face interviewing approach, the first step in the process was to inform participants of the objectives and obtain their informed consent for their voluntary participation. I also explained the use to which the interview data would

be put, their right to withdraw from the interview at any time and that the interview was going to be audio-recorded. Thus, care was taken to gain their informed consent as per Appendix II.

Open-ended questions were used in the introduction to the interview to let the respondents express freely the conditions of their personal and employment environments in relation to the current crisis. Examining respondents' personal and professional environments aimed to reveal how and under what conditions they perceived the effects of the reform measures; in other words, the ways in which the impact of the crisis on the Greek IR system affected their personal and professional lives. By using this direct and open approach, it was intended that respondents would feel free and open in expressing the characteristics of their personal and professional environments and the conditions of their lives and employment status.

Following this, the questions became semi-structured. Semi-structured interviews are in between the two extremes of open and pre-coded interviewing (Fisher, 2004, pp. 133–154), providing more space for interviewees to express their personal views and perceptions than in responding to closed questions. In contrast to a completely structured interview, the above-mentioned method was used to elicit rational responses without excluding the emotional dimension to reflect the respondents' perceptions of the subject from the perspective of their own worlds.

Furthermore, these semi-structured questions led respondents to discuss –openly and beyond the boundaries of strict questions – the three key issues and respond to the research questions. First, the questions focused on finding out the importance of IR (institutions and collective bargaining) for the viability of the Greek economy. Second, the aim was to understand how the crisis affected IR and third, the implications of the measures introduced for IR and society. In order to make each interview more interesting and informative, at the end of each interview there was a completely open and unstructured discussion with the interviewees, which provided spontaneous reactions and revealed some embedded perceptions regarding the key issues.

4.2.2. The interviewee/stakeholder categories

The focus of this section is provide more detail on who the interviewees were and the rationale behind for their selection. As mentioned in the introduction to this thesis, the private sector and specifically the construction industry, was chosen as the primary research context in which to examine the changes in Greece's IR system for three main reasons: first, because it represents a major sector of the economy; second, because Troika expects this sector to deliver fast results towards economic recovery; third, as a personnel manager within Greece's largest construction industry for many years, I had relatively easy access to key IR actors. Furthermore, this was supplemented with linked categories in the private sector, namely energy, cleaning and post-logistics, as well as in the public sector (the Ministry of Labour and Social Affairs, academia and policy making); the public sector was included as it plays a vital role within the IR system. Notwithstanding my privileged access, it was very difficult to find and approach interviewees in the context of the unstable and collapsing socioeconomic environment in Greece to investigate what was happening to the IR system in private sector industry.

In all, to cover the key IR actors, 19 interviewees related to multiple levels of IR were selected from the private sector (construction, energy, cleaning, post-logistics) and the public sector (Ministry of Labour and Social Affairs, academia, policy making). From the ERs' side, the interviewees comprised human resource directors (HRDs), line managers (LMs), union representatives (URs), self-employed legal advisors, marketing managers and procurement and administration directors. On the employee (EE) side, the participants comprised administrative HR and multilevel EEs (HRMLs) and URs. The third category encompassed civil servants, policymakers and academics (CPAs hereinafter).

At this stage, I distinguish between the interviewees and examine in detail who they are, their position of power and their educational background, providing a rationale for their choice. In particular, to analyse the perceptions of respondents it is necessary to be acquainted with their identity (how they see themselves) and what they represent in terms of their position of power. In this, I follow Weick (1995, 2001), who considers that the identity of the stakeholder plays an important

role in the sensemaking process (cf. Personal Identity, above). Table 4.1 provides a summary of interviewees' details.

Table 4.1. Interviewee details

Stakeholder category	a/a	Stakeholder position	Educational level	Specialty	Sector	Sector category
EMPLOYERS (ERs)	1	HR Director (HRD)	UNIVERSITY GRADUATE (BSc, MBA)	ELECTRICAL ENGINEER	Private	CONSTRUCTION
	2	HR Director (HRD)	UNIVERSITY GRADUATE	ECONOMIST	Private	CONSTRUCTION
	3	Technical Line Manager (LM)	UNIVERSITY GRADUATE	CIVIL ENGINEER	Private	CONSTRUCTION
	4	ER Union Representative (UR)	UNIVERSITY GRADUATE	CIVIL ENGINEER	Private	CONSTRUCTION
	5	Legal advisor, self-employed	UNIVERSITY GRADUATE (LLM)	ATTORNEY AT LAW (specialist on employment relationship matters and collective agreement negotiations)	Private	LEGAL
	6	Marketing Manager	MBA	MARKETING	Private	ENERGY
	7	Procurement and Administration Director	SECONDARY EDUCATION	Administration	Private	POST/LOGISTICS
EMPLOYEES (EEs)	8	Administrative HRM Department (HRLM)	UNIVERSITY GRADUATE (BSc)	HR & Accounting	Private	CONSTRUCTION
	9	HRM Department (HRML)	SECONDARY EDUCATION	HRM	Private	CONSTRUCTION
	10	HRM Department (HRML)	UNIVERSITY GRADUATE (BSc)	HR & Accounting	Private	CONSTRUCTION
	11	HRM Department (HRML)	UNIVERSITY GRADUATE (BSc)	HR & Accounting	Private	CONSTRUCTION
	12	HRM Department (HRML)	UNIVERSITY GRADUATE (BSc)	HR & Accounting	Private	CLEANING/FACILITY MANAGEMENT
	13	HRM Department (HRML)	SECONDARY EDUCATION	HRM	Private	CONSTRUCTION
	14	Construction Department, EE Union Representative (UR)	SECONDARY EDUCATION	OPERATOR	Private	CONSTRUCTION
Civil servants, policymakers, academics (CPAs)	15	Director (Civil Servant)	UNIVERSITY GRADUATE	Ministry of Labour and Social Affairs Inspector/ Specialist on IR (unions & collective agreement negotiations)	Public	Ministry of Labour and Social Affairs
	16	Director (Civil Servant)	PhD	Industrial Relations (IR) researcher – policymaker	Public	Ministry of Labour and Social Affairs
	17	Professor of Labour Law (Academic)	PhD	Labour Law	Public	ACADEMIC
	18	Professor of Industrial Relations (Academic)	PhD	Industrial Relations (IR)	Public	ACADEMIC
	19	Director (Policymaker, ex-Civil Servant)	UNIVERSITY GRADUATE	Labour Law & Industrial Relations (IR)	Public	Ministry of Labour and Social Affairs

A. Employers

The interviewees in the ER category were people related to IR in the private sector (construction, energy, cleaning, post-logistics). The ER interviewees comprised two HRDs, an LM, a UR, a self-employed legal advisor, a marketing manager and a procurement and administration director. In terms of their educational level, the HRDs, the LM, the legal advisor and the marketing manager hold graduate and postgraduate university degrees.

The HRDs were chosen because they are specialists in IR matters and they can be defined in general as administrative employees whose identity in the eyes of EEs is that of professionals who are trying to balance the needs (and rights) of EEs with the needs and interests of the ERs.

The LM is a civil engineer and the head of the energy department of a construction company constructing infrastructure projects related to natural gas (transport pipes, liquid natural gas storage tanks, etc.). The marketing manager holds an MBA degree and is the head of the marketing department of an energy production and trade company focusing on the use of renewable sources. The procurement and administration director is the head of the homonym directorate of a private post-logistics company in Greece dealing with works councils and corporate collective agreement issues. As functional managers, the power position of the LM, marketing manager, procurement and administration manager is similar to that of HRDs; they supervise EEs so they are in direct relationships with them and they aim to maintain balance in corporate employment policies and directions by also securing their positive image with EEs in order to ensure project completion. As well as keeping workers happy, as with the HRDs, their power position requires them to implement the ERs' policies and directions, thus improving competitiveness for the survival of their respective companies.

The advantage of employing functional managers' perceptions is their direct connection with the EEs, in particular as in most cases they have selected the EEs for employment due to their expertise. The disadvantage of using them to comment

on IR matters is that their epistemological-practical orientation – and thus their practical way of thinking – is completely different to that of the HR directors or managers. Functional managers give priority to the success and implementation of their projects, unwittingly ignoring IR matters due to their limited knowledge of the subject. Therefore, it is difficult for them to understand in depth the importance of IR matters, such as, for example, the possible cancellation of the institutions and collective bargaining agreements, unless they are led to understand that such annulment will act positively in reducing employment costs and thus the production cost, matters in which they are interested. Nevertheless, they are in possession of primary and direct information about IR matters as they are dealing with their subordinate EEs and these findings are useful to create insights into the subject of this thesis.

The URs belong to an ER association (union). The views of the URs are interesting: first, because they are members of ER organizations and thus promote their interests and needs; second, because they are knowledgeable in IR matters. Their duties may encompass participation in arbitration and negotiation processes in concluding collective agreements with EE URs, or they may choose to use the respective provisions of the voluntary participation enacted by the legislation in new memoranda to prevent the influence of their interests. The ER URs hold graduate university degrees in civil engineering.

The self-employed legal advisor is a legal authority in IR cases and is the head of a law firm of advisors in IR and labour law cases. He/she has also participated as the authorized negotiator for ERs in the conclusion of many collective agreements. The legal advisor's views on the subject are necessary as a specialist on employment relations matters and collective agreement negotiations from the ER perspective. As a specialist in IR matters, union and collective agreement negotiations, the legal advisor's duties include the implementation of labour law reforms aimed at improving corporate competitiveness, a difficult task; therefore, the legal perspective on the subject is valuable and important when ERs are doing their best to find alternative or flexible IR approaches to maintain the labour peace. The legal advisor holds graduate and post graduate university degrees.

B. Employees

As with ERs, it is interesting to consider the EEs' personal identities and understand what they represent. Weick (2001) defined personal identity as providing 'a center from which judgements of relevance and sense fan out' (p. 461). This offers us the possibility of gaining a greater understanding of the acts of a person by knowing who he or she is and what he or she represents in terms of a position of power.

The EE stakeholder category comprised six HRMLs (Interviewees 8–13) and one UR (Interviewee 14). Six of these seven HRMLs (Interviewees 8–11 and 13 and 14) work for major technical construction companies in Greece. The one remaining HRML (Interviewee 12) is employed in the personnel department of a private company in the facilities management sector, dealing mainly with the maintenance and cleaning services of buildings and plants. Interviewees 8, 10, 11 and 12 hold a Bachelor's degree in HR and accounting.

The advantage of obtaining views from HRMLs is that their primary task is to handle HR matters with the employed personnel and thus they deal with all the problems that arise from the implementation of the reform measures. Also, being EEs themselves, the impact of the reform measures in IR also affect their power position and thus their views are important to this research. The views of the URs are necessary as they represent the members of EE organizations, promoting their interests and needs and giving them a power position as equal stakeholders in terms of institutions (labour unions and collective agreements). Four of the HRML interviewees hold a Bachelor's degree in HR and accounting; the other two and the UR hold secondary education qualifications.

C. Civil servants, policymakers and academics

The CPAs are the civil servants, policymakers and academics from the public sector. The reason for including representatives from the public sector is that the state is considered to be a major player in making changes to the IR system and institutions and thus the state plays a decisive role in determining the balance of

power between the key actors. Interviewee 15 is a civil servant inspector of the private sector in issues related to IR regulations, a specialist in IR (union and collective agreement negotiations), and holds a university degree. Interviewee 16 supervises IR researchers and has a PhD. Interviewee 19 has a university degree and is a specialist in labour law, IR and employment and training state organizations. All three have flourished as directors in the Ministry of Labour and Social Affairs. Interviewees 17 and 18 hold university chairs in labour law and IR. Both of them have postgraduate degrees (PhDs).

Based on the interviewees' positions and responsibilities, the interview discussions were undertaken through day-to-day telephone or face-to-face communication and were related to incidences, events and legislative changes around the crisis and their impact on IR.

4.2.3. Means of interviewing

Audio-tape recording was employed to document the embedded views, ideas and perceptions of the interviewees. The interview time varied from 15 to 46 minutes. The face-to-face interviews, depending on interviewees' programmes, took place in most cases in my office, except for those with the academics, the legal advisor and public servants, in which cases the interviews were scheduled and undertaken in their offices.

With the financial crisis conditions, there was considerable difficulty in arranging both the main face-to-face interviews and the secondary telephone discussions and appointments for multiple reasons. These included the personal, economic and psychological problems caused by the crisis and the reform measures imposed on all interviewees, their families and society, as well as the uncertainty of employment, potential unemployment conditions and the struggle for survival. As per Appendix II, the audio-taped recordings will be destroyed within six years of the completion of the current research investigation.

4.3. Data analysis method

As the aim of this thesis is to reveal each individual's perceptions of the subject, the vast amount of data were condensed into the content analysis grid (Appendix I). My intention was to analyse the respondents' views, individual by individual, using the aforementioned complex of methods; each one comprising a complementary part of the research approach for knowledge. The findings had to be translated into English as the interviewees were Greek nationals and hence the interviews were transcribed multiple times. Although it is part of the semi-structured approach to allow respondents to range between topics, an inherent difficulty in the interpretive approach is to listen again and again to the recordings, making sense of the transcripts and drawing inferences, as the respondents do not follow the train of interview questions, but recount personal incidents and jump from one issue to another, some more so than others. Thus, an attempt was made to structure and quantify their responses using the content analysis grid (Appendix I). The quantification of the findings is presented using acceptance rates: 1 = low, 2 = medium and 3 = high. The average rate of respondents' choices for each key issue indicates their responses as members of the respective stakeholder categories. This methodology provides an understanding of how each individual respondent's views fit together in relation to the three key issues.

CHAPTER 5

RESEARCH FINDINGS

Presentation and analysis of the findings

The presentation and analysis of the findings plays an important role in the research process, especially when this is a thesis. This chapter employs the presentation of the interview findings with the relative argumentation to reveal inferences regarding the perceptions of the major stakeholders (EEs and ERs) and CPAs in relation to the three key issues described below:

1. The importance of IR in the Greek Economy

The scope of this key issue is to examine how respondents perceived the contribution of the IR system in the Greek economy and in particular what it offers in the employment relation between the key stakeholders. Therefore, examining the role of IR, as perceived by each category of respondents, will help us understand whether this makes IR (institutions and collective bargaining) so important for the mutual viability of the industry and the key stakeholders in the Greek economy.

2. The impact of the crisis on institutions and collective bargaining

In addition to the scope of the first key issue, in this key issue I discuss and analyze the understanding of respondents on the impact of the crisis on the constituents of IR, institutions and collective bargaining. This will help us find out whether these mechanisms or constituents of IR cover certain needs in the relationship between the key stakeholders. This will involve a discussion of the deregulation of the Greek IR system in order to reveal the underlying conditions and dynamics at play. Additionally, we will consider and discuss the views of respondents on those factors related to the deregulation of the IR system, such as the possible cancelation of institutions and collective bargaining agreements and arbitration processes along with the cancelation of union privileges.

3. The implications of the measures on IR and society

This section will involve discussion and analysis of interviewees' understanding of the implications of austerity measures on IR, the informed consent of the key stakeholders, who the measures benefited, if the measures changed social or key actors' acceptance, if there will be economic development from the reforms, employment security matters, the future of employment relationships and whether the measures caused a change in the balance of power between the key stakeholders.

5.1. EMPLOYERS

Taking into consideration the aforementioned ERs' characteristics in section 4.2.2., we need to examine respondents' views in relation to the previously mentioned three key issues employed in the content analysis grid.

5.1.1. The importance of IR in the Greek economy

All respondents expressed their agreement on the importance of the IR system from their perspectives. One very important argument focused on the factor of keeping harmony between the key stakeholders as the instruments of IR functions concern the prevention of possible relations conflicts between them. Illustrating this notion, Interviewee 5 (legal advisor) commented:

‘The operation of a fair IR system acts as a preventive vehicle that deals directly with possible conflict, which is related and caused by the imbalance of power between the key stakeholders’.

The view of this interviewee reveals an underlying condition that empowers the ethical stance of IR in terms of maintaining possible fairness within the relation of the two key stakeholders disregarding merely the obvious influence of the imbalance of power between them. This example concerns a market environment where the IR system includes the human factor by offering EEs a ‘voice’, the right to have their views heard. This system may determine the basis for the importance of the existence of the IR system within the industry that gives the opportunity for the human factor to be promoted above materialistic values.

In strengthening the above argument, Interviewee 1 (HRD) claimed that,

‘Maintaining an IR system without providing the possibility of fair employment conditions will not maintain harmony between the stakeholders, will bring higher flexibility in employment relationships along with low salaries, a fact that already happened with the application of the reform measures. The low production cost attained with low salaries but aimed to increase growth potential most probably will decrease EEs incentives and yield lower productivity’.

The already mentioned possibility of fair employment conditions presupposes the existence of the IR system that determines the role of each stakeholder considered to be regulated.

5.1.2. The impact of the crisis on institutions and collective bargaining

5.1.2.1. Deregulation of IR

In contrast to the above-mentioned claims, since the major aim of the imposed reform measures was transformation from a regulated to a deregulated IR system, nearly all ER respondents expressed their positive understanding of the deregulation of the IR system. Interestingly, Interviewee 1 (HRD) supported that,

‘The deregulation of IR is a real fact and was realized in order to improve competitiveness and avoid corporate viability problems.’

In addition to his agreement with the deregulation of IR, Interviewee 2 (HRD) admitted that,

‘Nevertheless, these measures reduced the power of unions, slowed business activity, reduced cash flow and pushed the economy into higher recession levels.’

Moreover, although with the pre-crisis institutional system any change towards more flexibility and deregulation in IR was supposed to be applied after common social debate, Interviewee 5 (legal advisor) claimed that,

‘Instead of providing the means for social dialogue from where common social acceptance was required, the reform measures were imposed as a result of the inability of the previous system to face the economic crisis and implement the readjustment programme of Greece’s economy.’

Therefore, Interviewee 5 (legal advisor) suggested that any change in IR had to be negotiated before any action between the key stakeholders, implying that the process of deregulation would have been widely accepted and not imposed. Nevertheless, he admitted a real inability of the pre-crisis system to resolve the crisis problems the economy was facing and considered the deregulation of the

system as a reaction of the state to revitalize entrepreneurship and by extension the economy.

Additionally, Interviewee 6 (marketing manager) claimed that,

‘The deregulation of IR is a vital contributing factor to the development of entrepreneurship and should be retained even more for the readjustment of the economy in order to expect a better future in a few years.’

Similar to this claim, Interviewee 7 (procurement and admin manager) supported that,

‘EE rights have to be downgraded in favour of those of ERs due to the failure of the social dialogue the previous regulated IR system offered.’

From the above assertions, we can perceive total acceptance between ER respondents with one difference in the process of the deregulation, namely the legitimation process based on wider acceptance.

5.1.2.2. Cancellation of institutions and collective agreements/arbitration processes

More interestingly, there is an ethical dilemma in the ERs’ views between what they have perceived in key issue 1 as the importance of a fair IR system and the managerial stances of imposing the measures for the deregulation of IR, with the exception of the objective view of Interviewee 5 (legal advisor). Therefore, despite the importance of IR claimed in key issue 1, Interviewee 1 (HRD) supported that,

‘Under the new legislative frame, the prerequisites for labour cost minimization, which aim to provide corporate cash flow and improve economic growth, are the cancellation of institutions and CEAs, which will cause in turn the further weakening of labour protection frame and privileges and will be the precursor to the end of syndicalism.’

Furthermore, Interviewee 5 (legal advisor) claimed that,

‘Even though the deregulation of IR seems to be a radical solution imposed by the provisions of the new legal frame, this provision was strengthened

additionally by the setting of voluntary participation for parties (ERs and unions) in arbitration procedures.’

Therefore, according to respondents, since the new legislation requires the voluntary consent of both key stakeholders to conclude CEAs and arbitration processes, this fact actually led ERs by their absence to cancel CEAs and arbitration decisions as institutions, thus weakening EE power.

5.1.2.3. Cancellation of union privileges

As Interviewee 1 (HRD) mentioned above, the cancellation of institutions and CEAs will cause the further weakening of the labour protection frame and privileges and will be the precursor to the end of organized labour. Moreover, he claimed that,

‘Unionism in Greece was not healthy even with the support before the crisis legislation. Syndicalists (leaders of labour unions) were interested only in their personal benefit with the ultimate scope to become members of parliament. For the success of this scope, they were involved in political parties or better they were proposed and supported by political parties in order to attract votes and power. By being undifferentiated from their past, union leaders have manipulated the pure members of unions who were looking for better employment conditions, provoking by their attitude the Troika to cancel all these kinds of privileges.’

Therefore, the new reform measures have ended all free and autonomous unionism in Greece. Further, he believed that,

The cancellation of certain privileges as above mentioned and the ones the institutions and collective agreements were offering along with the easing of protection of syndicalism will give prospects of growth to face the debt crisis.

From the above assertion, it was not clarified by the respondent whether he was against the principle of unionism or simply would like to see the development of unions that are independent of party politics.

Additionally, Interviewee 4 (UR) had a very interesting assertion about the above-mentioned ‘privileges’ and the power labour union leaders gained through their involvement with the governing political parties:

‘The previous legislation that established the regulated IR system exaggerated support of labour unionism in such a way that when connected with the politicization of unions’ leadership, which was the case, they were becoming very powerful with catastrophic results for any kind of entrepreneurship in Greece unless other solutions were followed.’

When this respondent was asked which other solutions were followed, he added that,

‘Since the ‘privileges’ situation became provocative, the Troika imposed the new legislation and reform measures aiming for growth but cancelled not only the privileges of these union leaders but diminished the total institution of unionism as a part of the function of IR per se, which will enhance economy’s competitiveness in the near future and benefit the few ERs left alive or new investors.’

For the few ERs left, he clarified that,

‘Most ERs were bankrupt due to the high economic recession ... thus, new investors will benefit.’

Similarly, Interviewee 5 (legal advisor) illustrated the above situation in his own way:

‘With the new legal frame, unions are witnessing a tremendous decrease in their power of negotiation in the conclusion of new CEAs. The privilege of ERs from the cancellation of CEAs and the reduction of minimum wages and salaries of the NGCEA gave them (unions) the final bullet.’

The common theme in the above positions is that the imposed new legal frame not only weakened the power of union leaders but also weakened the power of pure creative labour unionism and the conflict control mechanisms between the key

stakeholders. Further to the above-stated ERs' understanding, the intention of the next key issue is to explore the implication of the imposed measures on IR and society.

5.1.2.4. Summary: the implication of the measures on IR and society

Although it seems that the majority of ER respondents welcomed the measures that changed the course of IR, they agreed that in the short run these new measures led to a higher recession by increasing unemployment, decreasing salaries and wages, increasing dramatically the prices of basic products and making the lives of ERs and EEs more difficult. Interviewee 5 exemplified this image by saying that,

‘The reduction of salaries and unemployment decreased buying power and increased the recession, whereas they increased competitiveness, productivity and flexibility.’

Moreover, Interviewee 1 (HRD) claimed that,

‘The reform measures have had a major impact on IR such as a higher recession in the economy than before; a recession in the economy brings about a recession in IR.’

In other words, from the respondents' subjective views, the failure of the austerity measures in the economy and employment matters is evident. There was total acceptance of all ER respondents that the measures were imposed by the Troika without EEs' consent. More explicitly, the way the imposed measures were defined and enacted through the new legal frame disappointed the majority of stakeholders, especially young people who as a result of such actions are looking abroad for a better employment future (Interviewee 1, HRD). Moreover, he claimed that,

Every time a new memorandum arises, it brings about new measures with the aim to recover the economy's competitiveness and benefit ERs on the back of EEs. It needs to be recognized that in the past, construction companies conceived alternative ways to overcome inefficient employment legislation through the use of unofficial FEPs (subcontractors, hire-out of personnel and use of independent services).’

Nevertheless, these AFEPs were proven to be temporary for ERs until the crisis arrived to provide more permanent solutions such as the complete deregulation of IR. All ER respondents agreed that although the reform measures favoured ERs by reducing employment costs, entrepreneurship was also reduced. Interviewee 6 asserted that,

‘This reduction was considered to be an evident consequence of the debt crisis to the banking system of the country due to the ... lack of bank funds for corporate financing and private capital.’

Therefore, their assertion implied that the reduction of employment costs would not be considered to be the primary measure to be imposed for the recovery of the economy, at least in the short run.

EEs are and will be in the near future the major losers from the implementation of the reform measures. This notion was asserted by all respondents unanimously. On the contrary, according to the majority of respondents, ERs will be the great winners in terms of future gains from the reduction of labour costs through the deregulation of IR. On the contrary, one of the HRDs (Interviewee 1) supported that,

‘The deregulation of IR implies more flexible employment relationships in favour of labour cost minimization, which will yield lower production capacity as the lower wages lead to lower incentives to be productive.’

The majority of respondents did not accept the changes in the Labour Law. Characteristically, Interviewees 1 (HRD) and 6 (marketing manager) declared that,

‘The reform measures need to be reconsidered in terms of providing counterbalances for EEs.’

In challenging the above notions, Interviewee 5 (legal advisor) asserted that,

‘The previous regulated system was problematic in terms of causing difficulties when necessary corporate decisions had to be taken in difficult

situations. In the case of the economic recession, they were forced to make labour redundancies and the cost of remunerations was prohibitive.’

However, he considered some positive points of the regulated IR system to be low flexibility that dealt with job security and the subsequent EE loyalty and increased tenure that may develop a highly specialized and productive workforce and thus increase the dynamism of a company. Nevertheless, as the situations change towards more flexibility, he admitted that,

‘EEs have to trace the increased competitiveness derived from globalization and the side effects of the current debt crisis and accept the implementation of the reform measures for the benefit of their ERs that procure their employment.’

The advantages of such a deal between the two key stakeholders would be tremendous if the relationship was going to be kept on fair terms and conditions for both parties. In any case, at least at the beginning, the reform changes make both actors insecure due to the recession of the economy. Maybe this notion is optimistic, as the same interviewee concluded for the acceptance on the changes that,

‘It depends whether you look at the changes from EEs’ or ERs’ points of view, but one could argue that the implementation of the measures decreased ER risk for termination of employment contracts.’

There was no common view or acceptance about whether the economy gains or loses from the reform measures. The opinions diverged but the majority agreed that in the long run the economy will stand on its feet after the implementation of the reform measures. The majority of interviewees felt insecure after the changes, at least while employment uncertainty and economic instability continued.

Interviewee 5 (legal advisor) argued that ‘in any case EEs do not feel secure.’

In terms of wages, to return at previous levels, the feelings of interviewees in general were very pessimistic. Again, there was total agreement on the above

assertion. Interviewee 7 (procurement and admin. manager) argued in a more radical way that

‘Employment relationships will continue to be even more flexible as long as the legislation processes are kept authoritarian.’

No other ER respondents used this expression, however, and after the first interview, I realized that the specific person had had a bad experience dealing with trade unions and works councils regarding the strict legislation of regulated IR and that he had connected them together with the current new legal frame of deregulated IR. The way this interviewee made sense of his notion (created his understanding) is what Weick (1995) calls intuitive judgements of plausibility.

As there was total agreement that the reform measures changed the balance of power for ERs’ benefit, the future employment relationships will be disadvantageous for EEs ‘who knows for how many years’ (Interviewee 1, HRD). Interviewee 5 (legal advisor) expressed his view by claiming that,

‘Undoubtedly, the crisis reinforced the position of the more powerful partner, ERs. In the future, there will be more flexible forms of employment, while there will be a decrease in wages level until the economy becomes competitive again, whatever the cost.’

This claim positively implies the shift from the institutional IR system to the authoritarian kind of IR taking place for the recovery of the economy, the materialistic issue, without taking into consideration the humanitarian side of the issue.

The common theme in the above-stated positions is that the imposed new legal frame was perceived to be positive for the development of entrepreneurship even though it caused the deregulation of IR, the cancellation of IR institutions, the weakening of the power of union leaders, the reduction of the power of pure labour unionism, the reduction of salaries and wages to the minimum defined level of the NGCEA and the lowering of conflict control mechanisms between the key stakeholders.

The presented facts seem to be disadvantageous for the power of EEs, Therefore, it is more necessary than ever to examine EEs' perceptions in order to provide us with a more comprehensive view of the impact of the crisis on IR, specifically on the same three key issues employed in the content analysis grid.

5.2. EMPLOYEES

As with the ERs taking into consideration the above-mentioned characteristics of EEs in section 4.2.2., we will examine their views regarding the previously mentioned three key issues utilized in the content analysis grid.

5.2.1. The importance of IR in the Greek economy

There was total agreement by all respondents that the existence of IR within the economy is of highest importance. One of the reasons was expressed by Interviewee 8 (HRML):

‘The economy and IR are interrelated as IRs’ constituents facilitate the existence of their relation.’

The meaning of this assertion is that IR cannot exist without an economic system with the constituents of IR (institutions and collective agreements - arbitration) facilitating possible conflicts. Exemplifying this conception, he added that,

‘Without the IR system, there would be anarchy as employment terms would be set by CEAs.’

These assertions were based on the interviewee’s ongoing experience in the HR department of a multinational construction company where the terms of employment for non-European personnel are determined merely by the level of salary which in any case is very low. The embedded meaning of this view is that these terms of employment refer to primitive forms of employment, thereby violating the principles set by ILO conventions. In other words, they are without any kind of rights, discrimination and ethical principles that protect human dignity and the right to work.

Further, Interviewee 9 (HRML) asserted that,

‘The importance of IR within Greek industry is embedded in the form of employment and labour rights by establishing the terms and conditions of an ethical relation between ERs and EEs.’

Therefore, both HRML interviewees claimed that the power of EEs diminishes without the existence of a descent IR system. Another similar argument was proposed by Interviewee 10 (HRML) in admitting that the improvement in competitiveness is a very important factor for the existence of an economy that facilitates the labour force; however, the existence of IR is equally important for the existence of a proper relationship between ERs and EEs and that this facilitates the long-term existence of an economy. Otherwise, the economy will not last for long, as it is very difficult to persuade EEs and trade unions to accept the abolishment of IR institutions and practices.

Moreover, Interviewee 14 (UR) insisted that an IR system, in order to be important for the economy, should first be effective for both key stakeholders. There should be a mutual understanding of the problems to be faced and mutual consent in the formation of a new or in the amendment of an existing IR system. Thus, the respondent claimed that the usefulness of the IR system makes it important for the economy and by extension for the social partners of a country.

5.2.2. The impact of the crisis on institutions and collective bargaining

5.2.2.1. Deregulation of IR

Regarding the deregulation of IR, most EEs disagreed with the new legal frame responsible for the transformation from a regulated to a deregulated IR system. The understanding of Interviewee 8 (HRML) was doubtful for the deregulation of IR for his own reasons, as illustrated very interestingly in the following claim,

‘The deregulation of IR was the physical consequence of the malfunction of the strict regulated system as ERs were forced to find out and apply new flexible hybrid solutions with increased flexibility.’

After the interview, it was clarified that he was referring to the competitiveness inefficiency of the regulated IR system, where AFEPs (subcontractors, fixed term employment and the hiring-out of EEs) were utilized successfully by ERs for the minimization of operational costs to overcome the lost competitiveness caused by project temporariness in the construction industry. Nevertheless, he asserted that if

the deregulation of IR did not help the relationship between the key stakeholders, it must be abolished and we must return to the development of a new regulated system based on mutual understanding.

Interviewee 9 (HRML) added on the above claim that,

‘Flexibility in IR was already adopted by ERs before the deregulation happened by using unofficial flexible employment forms such as part-time employment, unpaid leave and group redundancies in order to reduce labour costs.’

Interviewee 11 (HRML) expressed a negative understanding by claiming that the application of FEPs was already annoying in the pre-crisis era. He added that when the reform measures deregulated IR in Greece without the consent of EEs, they were frustrated not only for their own sakes but mainly for their children who would shortly become active members of the workforce. They explicitly expressed their feelings against the deregulation of IR by claiming that,

‘Nobody asked us for the changes. We are not responsible for the lost money so why do we have to pay. The governors, whoever they are, should pay for their mistakes, not innocent EEs.’

What we have learned from this interviewee is that their reaction was expressed in an impulsive way due to the accumulated anger and anxiousness caused by the measures, characterized by actions that have tangible effects on their families and themselves, who happen to belong to the weakest category of stakeholders, EEs.

More interestingly, Interviewee 14 (UR) foresees a forthcoming crisis between the labour classes against the polity that imposed the reform measures for the deregulation of IR. In the past, he was against any recommendation for changes in IR towards more flexibility unless there was no alternative way. However, today, the austerity reform measures, although provided as alternative solutions for the complete deregulation of IR to save economy, were rejected by him.

5.2.2.2. Cancellation of institutions and collective agreements/arbitration processes

Interviewees 8 and 12 (HRMLs) claimed that although any deregulation in IR should be made following the mutual consent of the key stakeholders, they supported that institutions and collective agreements – the arbitration processes of the previous regulated system – would not be cancelled. They would be more useful if amended by making them more operational for the sake of the economy and fairer for both key stakeholders.

Similar to the ERs' position, there was evidently a dilemma between the form and the content of the concept of the austerity measures in terms of the ethical fairness of the imposed IR system that had to be taken into consideration before any change. In light of this concept, Interviewee 11 (HRLM) claimed that,

‘The new legal frame has been created in a radical autocratic way without taking into consideration who lost the money and who is obliged to pay for it by sacrificing the basic operations of the IR system.’

5.2.2.3. Cancellation of union privileges

Interviewee 11 (HRML) identified that trade unions are the instigators of strikes in serving political games by saying,

‘Trade unions are doing nothing except moving people on the roads for work positions by keeping requesting higher wages and taking care of their personal interests.’

The meaning of the interviewee's view was that the privileges given to the leaders of trade unions were manipulated by Unions in making mass movements for the purpose of serving political strategies; therefore, the cancellation of their privileges was a wise action. Interviewee 14 (UR) agreed and insisted on the cancellation of any existing privilege of unions:

‘Unions should abolish anything in order to regain their lost fame and take the proper role, the creative one, that they deserve. We must all help save our economy, our country, regardless of the personal costs.’

His view was based on the motive that IR should consist of creative unionism as a competitive advantage to revitalize the economy. Therefore, he defended unions as a bona fide social partner by exemplifying the value of healthy and autonomous unionism, which operates in good faith within equal limits and which allows the economy to grow and generate wealth for the mutual benefit of the key stakeholders. Undoubtedly, he implied by his claim the modernization of the union movement. The strength of such union movement that respects first itself and then the remaining social partners will set a new tone for the future IR system.

Additionally Interviewee 13 (HRML) had a very interesting assertion about the privileges and power that labour union leaders gained through their involvement with governing political parties. He claimed that,

‘The unions did nothing to change the situation that affected EEs as the imposed amercements, the increase in any kind of taxes, the decrease in salaries directing with their inaction economy in recession, increased unemployment and unsecured work.

The meaning of ‘did nothing’ that was revealed through later discussions was that unions did not act effectively in the past to avoid the current crisis by providing creative participation in negotiating or exchanging views and solutions and thus the cancelation of union privileges was accepted unanimously by all interviewees.

5.2.2.4. Summary: the implication of the measures on IR and society

In today’s socioeconomic situation, there was total agreement by EE respondents that the implemented measures deregulated IR and instead of improving competitiveness directed the economy towards a higher recession (Interviewee 10, HRML). This was also illustrated by Interviewee 11 (HRML), who claimed that,

‘As a result of the reform measures and the recession, one paradox happened: the prices of basic products increased but salaries and wages decreased, increasing dramatically the cost of life, which becomes even harder in the case of unemployment.’

Moreover, Interviewee 9 (HRML) claimed that,

‘The current socioeconomic situation, derived from the public debt crisis, was brought about by the new reform measures, deregulation of IR, disintegration of the social tissue and recession in the economy.’

Hence, the austerity measures did not resolve the crisis problems but increased the recession in the economy and caused additional problems to IR matters, as discussed in the following subsections.

From EEs’ perspectives, they did not ask for the imposition of the austerity reform measures in general and on IR in particular. Thus, all EE respondents concurred that the measures were imposed by the Troika with the new legal frame without EEs’ consent, and finally against the interests of EEs. More explicitly, Interviewee 9 (HRML) illustrated this assertion by claiming that,

‘The austerity measures were imposed with lenders’ consent in order to secure the repayment of their loans but the question of who will pay back the loans remains unanswered: the ones who have taken the bad decisions or the innocent citizens?’

Unfortunately, the consent of the weakest party of the employment agreement is not always necessary when decisions have to be taken under the pressure of lenders avoiding defaulting. Nevertheless, this fact signalled the contemporary evolution of employment legislation for the establishment of the reform measures with the unexpected effects on IR and EEs.

Moreover, the research process on the implications of the reform measures on IR revealed that the new legal frame was created in favour of ERs’ need to increase competitiveness by minimizing operational costs in Greek industry. However, the perceptions of EE respondents were that no particular position persuaded them about the utility of the measures in changing the entrepreneurship environment until now for the better. All ER respondents agreed that although the reform measures favoured ERs by reducing employment costs, entrepreneurship was reduced and the unemployment rate increased dramatically (see Appendix III). Interviewee 11 (HRML) claimed that,

‘The austerity measures increased the recession, decreased investment due to cash flow problems such as a lack of bank financing, increased corporate debts, increased insecurity and thus reduced growth incentives until the stabilization of the economic climate with unexpected results on IR.’

Therefore, the views of all EEs coincided by claiming that the reduction in employment costs would not be considered to be the primary measure imposed for the recovery of the economy, at least in the short run.

If the case were to impose measures to improve corporate competitiveness, somebody would expect the provision of growth incentives. Nevertheless, EEs’ views revealed that neither EEs nor entrepreneurs (ERs) have benefited from the new measures, at least in the short run. Then, who has benefited and at what cost? To answer this question, Interviewees 8, 9, 11 (HRMLs) and 14 (UR) expressed their total agreement that only lenders have benefited from the crisis until now.

Additionally, one of the HRMLs (Interviewee 12) supported that the reform measures implied the deregulation of IR in favour of labour cost minimization (by providing lower salaries), which in turn will yield lower production capacity as the lower remuneration leads to lower incentives to increase productivity.

The majority of respondents (86%) did not accept the changes of the new legal frame as they perceived that those were against their interests. In challenging the above views, Interviewee 11 (HRML) asserted that the minimization of employment costs is a major competitive advantage for the establishment of industry in local and international markets; therefore, as increased production will yield more employment positions, the unemployment rate will decrease. Hence, the utility of the reform measures needs to be reconsidered in terms of providing more employment positions for EEs, thus reducing unemployment and maybe uncertainty in the long run.

Regardless of the above assertion, all HRMLs shared the common view of being doubtful about whether the economy gains or loses from the reform measures. The

opinion of Interviewee 14 (UR) diverged from the rest, as he completely refused to accept that the economy will stand on its feet after the implementation of the reform measures. He was curious about the possibility of resolving the possible conflicts between ERs and EEs without the means provided by IR institutions, namely unions and collective agreement and arbitration processes. Moreover, all interviewees felt insecure as long as there is no balance of power and ERs are more powerful than EEs.

In light of the fact that the reform measures have changed the balance of power in favour of ERs and that labour unions seem to be unable to resist these changes, Interviewee 14 (UR) asserted that 'IR will continue to be even more flexible in the future.' Again, there was total agreement on the above assertion. Interviewee 11 (HRML) claimed that 'future employment practices will tend to be even more flexible', as the new legal frame will not change in the near future. However, there is the possibility that the free labour market, the demand and supply of labour, will readjust practices for the better as the economy grows and employment becomes more in demand. The remaining EEs agreed that reform measures have changed the balance of power in favour ERs due to the pressure and weakness they feel.

5.3. CIVIL SERVANTS – POLICY MAKERS - ACADEMICS

The CPAs stakeholder category comprised two civil servants (Interviewees 15 and 16) and three policymakers/academics (Interviewees 17–19) and we will examine their views as before.

5.3.1. The importance of IR in the Greek Economy

Similar to the previously stated perceptions of the two key stakeholders, there was total agreement by all CPA respondents about the importance of IR within the Greek economy. Interviewee 15 (civil servant) raised an interesting assertion by saying that,

‘The importance and necessity of IR processes are not negotiable. I do not agree with any changes against the labour force unless they are contracted under the mutual consent of the actors for providing competitiveness for entrepreneurship growth and thus employability.’

The above assertion implies that although in the past he believed that only traditional employment practices provided motives to EEs for increased productivity and corporate competitiveness, he would agree with changes based on these prerequisites only in the context of the mutual agreement of the key stakeholders. Interviewee 17 (policymaker/academic) exemplified the importance of IR in his own way by saying that,

‘IR is an important tool if used effectively through careful steps for business competitiveness that will benefit employment per se.’

This interviewee perceived that IR can be used in an effective way to overcome the crisis and improve the economy for the benefit of both stakeholders as part of the employment contract. Interviewee 18 (policymaker/academic) added on the same issue that,

‘Although IR is transforming from the institutional form to a more flexible type of relation, it is still important to make us understand what mistakes

occurred by both parties in order to be corrected in the future but not without any cost.’

After consecutive discussions, the embedded meaning of the above views was that ‘there is a substantial cost from the transformation of IR to the new terms of employment’ (Interviewee 18, policymaker/academic), which implies that IR is important to be kept alive because it ‘will improve with future economic development and employment will become again full-time with higher salaries’ (Interviewee 17, policymaker/academic).

Further, Interviewee 19 (policymaker/academic) focused on the constitutional and legislative provisions by asserting that,

‘The importance of IR within Greek industry is focused on entrenching a high level of employment terms and security at work. IR is important because the general terms of employment are established in connection with the institutional form of employment along with any other regulation of this relationship for the general social benefit that interests general law and order per se as set by the Constitution of Greece.’

The meaning of the above view is that the general principles of IR are set by the pre-crisis legislator by admitting that the memorandum legislator inserted a new legal frame based on the deregulation of IR, as discussed in the following section.

What we have seen at this level of the analysis is that interviewees are in favour of some form of IR system as each one views it from their own views. They see the benefits of institutionalized conflict such as the legitimization of policies through democratic ways that are mutually agreed upon and that will improve IR for delivering more competitive entrepreneurship for growth and employability. Therefore, they see a transformation of IR from the institutional form to a more flexible liberated type of IR with a focus on correcting the mistakes of the past (e.g. the misuse of union power) in order to enhance economic development and employment with the ultimate scope to be under full-time terms. Therefore, each of

the interviewees perceived the importance of a sort of IR system as viewed from their own points of view, either the traditional or the developmental one.

5.3.2. The impact of the crisis on institutions and collective bargaining

5.3.2.1. Deregulation of IR - cancelation of institutions and collective agreements/arbitration processes

There was disagreement among CPAs regarding the deregulation of IR for many reasons. One of the opinions expressed by Interviewee 16 (civil servant) was that,

‘As the flexibility used in the pre-crisis era was inadequate for the minimization of labour costs, lenders were asked to apply new measures such as the ones that deregulated nearly all of the IR institutions, causing insecurity and instability in the labour force, society and for investors, who are waiting for wages to be stabilized at lower levels in order to restart thinking about new investments.’

Discussions after the interview revealed that in the past the respondent recommended moderate or medium-sized changes towards more flexibility for the decrease of labour costs but based on the mutual consent of social partners. More explicitly, he expressed his disagreement about the deregulation of IR by mentioning that,

‘Although the attempted employment practices with increased flexibility did not yield a substantial benefit for the economy, in response the Troika in an effort to revitalize the economy imposed austerity measures with the deregulation of IR. This caused insecurity and instability in the labour force and unexpected financial problems for ERs as well as let investors wait for the right time to invest when wages are low and there is political stability. Therefore, owing to the problems caused in society, the deregulation of IR cannot be accepted by the majority of the workforce.’

Hence, although he was in favour of some flexibility, which did not offer the expected results, the current deregulation went to the other extreme (a highly

authoritarian system), thereby causing the above-mentioned serious problems to both key actors and society. Therefore, he would prefer an IR system that respects both actors and that takes measures for the common benefit.

On the contrary, Interviewee 17 (policymaker/academic) supported the deregulation of IR as a means of economic recovery that will be beneficial for both actors by claiming that,

‘The crisis has increased unemployment and decreased entrepreneurship. Thus, in order to correct this instability, the new reform measures towards the deregulation of IR are the correct path for the private sector. This will benefit firstly ERs and secondly EEs.’

Within this frame, discussions followed with the respondent about his cautiousness towards the deregulation of IR in making business more competitive and he asserted that,

‘The effectiveness of the measures cannot be criticized now but at a later time after the impact of the changes on entrepreneurship along with the structural alterations in the public sector.’

Therefore, he would prefer the deregulation of IR as a means of economic recovery that will be beneficial for both actors. An opposing view was expressed by Interviewee 18 (policymaker/academic), who illustrated his disagreement with the current of deregulation of IR by claiming that,

‘The combination of multiple legislative measures for the deregulation of IR has caused the convergence of salaries in Greece with the Balkan countries and not with the Northern EU countries as expected from EU employment strategies. These legislative provisions were adopted without social consent, in particular from EEs, causing major social turmoil that is disintegrating the social tissue of the country.’

This interviewee expressed an interesting view by questioning what sort of IR lenders want for a member of the EU market compared with advanced Northern

EU countries. This is the claim that should be raised to the EC. In addition to the above-stated disagreement, Interviewee 19 (policymaker/academic) added that,

‘The austerity measures brought about deregulation in IR, which led to financial and social disorder for gaining a more competitive economy without caring for the human factor.’

Interviewee 15 (civil servant) claimed that,

‘The cancelation of collective agreements and arbitration processes decreased employment costs and allowed ERs to move into an advantageous position but they were unable to act in the short run as there is a shortage of financing due to the current credit crunch.’

Hence, he is dissatisfied with the results of the current deregulated legal frame that develops a system based not on mutual understanding but on imposition that influences employment in a negative way by abolishing nearly all vested labour rights and thus diminishing the relationship between the key stakeholders. The above claim highlights a key contradiction within the reform measures that cannot direct the system in growth paths. More interestingly, he added that,

‘In discussion with EEs, they disagree with the deregulation of IR but there is a pathetic consent of labour unions and non-unionized EEs even though these measures have caused high unemployment, uncertainty and low salaries.’

In further discussing the matter of the pathetic consent of labour unions, he asserted that,

‘This event is a result of the control of political parties over the major labour unions.’

Moreover, he explained that,

‘The pathetic consent is an intermediate state after the shock of the measures that pure EEs are facing.’

These claims of Interviewee 15 (civil servant) are not usually heard from a traditional civil servant but from an open-minded thinking person who is expecting the aftershock reaction of the imposed measures. The above-mentioned pathetic consent of EEs in general was explained by this interviewee as a condition of the increased weakness of EEs, who cannot react after the shock the measures caused to IR. Therefore, the majority of CPAs disagreed with cautiousness in the success of the deregulation of IR, especially as these measures have produced social turmoil and as they were imposed without the consent of both social partners, especially EEs.

5.3.2.2. Cancellation of union privileges

Following the previous assertion of Interviewee 15 (civil servant), Interviewee 17 (policymaker/academic) supported the cancellation of union privileges by claiming that,

‘Collective agreements should be concluded based on free bargaining and not influenced by the impositions of the regulators or negotiators and union privileges.’

In the discussions, he explained that,

‘There was a latency condition in the previous legislation, where in the case of dispute in the collective bargaining processes, which was a common event, the arbitration process concluded ‘an agreement’ in a provoking manner after compulsory and binding interventions of the arbitrators who had unlimited power to decide, usually on labour unions’ sides.’

Interviewee 19 (policymaker/academic) also added that,

‘There was systematic political intervention in influencing arbitrators’ decisions upon unions/EEs’ interests to serve political and vote gathering purposes.’

On the same theme, Interviewee 16 (civil servant) asserted that,

‘Labour unions did not resist the measures and they accepted the fact that they could do nothing but stay alive for their own personal benefits.’

Therefore, the system was not independent and decisions focused on providing uncontrolled increases in salaries, allowances and privileges for EEs, making the cost of production unbearable and the economy uncompetitive.

In terms of providing increased salaries on a grounded basis, Interviewee 18 (policymaker/academic) asserted that,

‘Nobody refused to give increases in salaries as long as these were connected to economic estimations and profit or loss rates.’

In comparing respondents’ perceptions, it was noted that the views of Interviewees 15, 17 and 18 regarding IR institutions were in total agreement with those of Interviewee 14 (UR, in the EE category). They all defended the institution of unions as a bona fide social partner by exemplifying the value of healthy and autonomous unionism that operates in good faith within fair limits and that allows the economy to grow and generate wealth for the mutual benefit of the key stakeholders rather than serving the political purposes of parties or personal interests. This implies that union privileges caused tremendous effects on IR, the economy and society in general and had to be cancelled, even in an authoritative way.

5.3.2.3. Summary: the implication of the measures on IR and society

The majority of interviewees agreed that the austerity measures resulted in a higher recession instead of providing a step towards growth and economic prosperity.

From this perspective, Interviewee 16 (civil servant) asserted that,

‘The vehicle of economy has been in great recession as there is increased insecurity and instability and investors are not thinking to invest at all unless the economic climate improves and the cost of labour decreases substantially.’

Therefore, investors are waiting for salaries to stabilize at lower levels before taking any action. In the same view, Interviewee 19 claimed that,

‘The present measures gave competitive advantages to ERs but the economy did not react as expected, restricting entrepreneurship and leading to higher recession levels with both stakeholders suffering uncertainty and unpredictable effects.’

As a result, interviewees discussed the EE consent factor regarding the imposed measures. CPAs perceived that the reform measures in IR were imposed by the Troika’s intervention for the new legal frame without EE consent, and finally against the interests of EEs. Interviewee 18 (policymaker/academic) claimed that,

‘The new measures provided more special employment forms without extensive social consent or the acceptance of social partners.’

There was total acceptance on this view, which was common for CPA respondents for the simple reason that it was based on democratic principles. On the contrary, there was a divergence in CPAs’ opinions on supporting the deregulation of IR. Nevertheless, all agreed that EEs would lose from the implementation of the reform measures. More specifically, Interviewee 18 (policymaker/academic) asserted that,

‘Not all the current ERs but the stronger ones along with new investors will benefit from the crisis reform measures.’

Based on this assertion, the same interviewee added that,

‘The measures will lead to a convergence of salaries with the Balkan countries instead of the Northern EU and the centres of power, local or multinational.’

Nevertheless, support for the deregulation of IR was provided by Interviewee 17 (policymaker/academic), who based his claim on the improvement of business competitiveness through labour cost minimization and the cancellation of misleading union privileges; however, he remained cautious about his assertions as everything is judged from the results.

The majority of respondents accepted that the economy will gain in the long run after the implementation of the reform measures. Most also felt insecure after the

changes for as long as there is no balance of power (when ERs or future investors will be more powerful than EEs). Respondents agreed that future wages will be kept low as the increased flexibility in employment has not yet stopped unless there will be growth in the economy. Thus, increased employment will facilitate the conditions for salaries to increase again.

As labour unions and EEs do not resist, because either they serve political parties' and personal interests or there is the pathetic consent of weak stakeholders, employment relationships will be more flexible in the future. Interviewee 19 agreed on this assertion by saying that,

‘Within the new legal frame of IR, future employment practices will consist mainly of temporary employment and individual contracts.’

All respondents agreed that within the new legal frame, the power of EEs has been diminished in favour of the few remaining ERs and future investors, although they believed that other medium term solutions could be followed instead of the extreme imposed measures.

CHAPTER 6

DISCUSSION

In this section, I reflect on the core findings, focusing specifically on the three research questions which underpin the research on the subject of the impact of the financial crisis on IR in Greek industry.

6.1. Core findings

The presentation and analysis of the research findings, along with the relevant argumentation, reviews and assesses assumptions concerning the subject to generate reflections in relation to how these were perceived by the stakeholders. In summarizing the core findings from the three groups of interviewees, I focus on the dynamic trends of perceptions uncovered in relation to the three research questions. The research process uncovered what happened to the IR system in Greek industry within the unstable and collapsing socioeconomic environment in Greece resulting from the crisis, revealing a) how the problems of the reform measures in IR during the period 2009–2013 were perceived by the key actors, b) whether the reform measures changed the balance of power between the key stakeholders and c) whether there is any chance of reviving IR in Greece; the three research questions.

As stated by the figures in the content analysis grid (Appendix I), the first issue considered is the stakeholders' perceptions of how important the existence of IR is within Greek industry. The interviewees belonged to different stakeholder categories (ER, EE and CPA) and thus perceived the existence of IR from their own perspectives and had varying interpretations. They considered the existence of IR to play a highly important role within Greek industry for a number of reasons, including the following: first, they viewed IR as a means of regulating the relationship between the key stakeholders. From the interviews, it was apparent that all the interviewees understood the necessity of the mutual existence of both key stakeholders (EEs and ERs). Second, they considered the utility of IR as a means of confronting or preventing possible conflicts between the key stakeholders. This was expressed unanimously, as evident from the high average score in the content analysis grid (Appendix I), reflecting their total agreement on this issue.

Even if the importance of IR might still be questioned, it is viewed as having the potential to make a certain contribution to the economic system if it is structured appropriately to confront the problems that arise. IR cannot contribute to the economic system if it does not exist and therefore, all the interviewees, despite their different perspectives, agreed on the need for IR. However, they diverged in terms of the form this system should take according to the different needs of each stakeholder category (EE and ER).

Using the seven properties of Weick's (1995, 2001) theory, it is possible to take a closer look at the interviewees' perceptions and ways of understanding. The analysis of the data reveals that all the interviewees had practical experience of IR in a professional capacity and thus their perceptions were coloured by past experiences regarding conflict management and negotiations, aiding them in extracting their own cues. Thus, they founded their understanding on a case-by-case basis from their own previous experience; this is what Weick (1995, 2001) calls the ongoing (continuous) enactment (act) of social events and retrospective sensemaking. Also, their various backgrounds (employment position, educational level, specialism and industry sector) which form their personal identities played a vital role in how they extracted different cues and used them in addressing various employment relations matters. Based on these extracted cues, they then simplified and edited their thinking/understanding to make sense of their experiences (Weick, 1995, 2001).

The agreement of all respondents from their own perspective on the importance and validity of an IR system in terms of exerting an impact on industry by extension has an impact on society. When general consensus is achieved, the social side of the issue is highlighted. By employing IR institutions in fair terms, conflict between the key stakeholders is mitigated, the quality of IR is improved and quality performance in terms of production is assured for the sake of the economy and society. Therefore, employing fair (unfair) IR institutions, as understood by the interviewees, contributes to the formation of a better (worse) social fabric; the enactment of IR is social (Weick 1995, 2001) and the way in which the

interviewees understood the world (accepted the necessity and importance of a fair IR system) had a social context.

In terms of developing an understanding of the respondents' views of IR, ERs almost unanimously accepted that the malfunctioning of the regulated IR system together with the economic crisis signalled the start of the deregulation of IR through the abolition of institutions and union privileges. This is linked to the unanimous agreement on the need for an IR system, but one shaped to cover the different needs of each stakeholder category; at this point, the ER perspective diverged from the EE viewpoint. The acceptance of the value of an IR system by the ER respondents can be explained as deriving from their identification with the ER position, which coincides with the Troika's stance that reform measures in IR will improve the competitiveness of industry. On the other hand, the EE and CPA stakeholders, with the exception of one CPA respondent (interviewee 17, academic), who agreed that reform measures in IR will improve the competitiveness of industry and therefore employment, argued against these deregulatory legislative reforms and processes. The correspondence between the views of EE and CPA stakeholders (the latter being from the public sector) was influenced by their identity position and common interests. It can be asserted that their understanding derives from their common characteristic of being employees either in the public or the private sector, forming a kind of solidarity between them.

The ways in which the interviewees created their understandings, providing the interpretive findings discussed above, concur with what Weick (1995, 2001) terms identity construction; thus, sensemaking here derives from the actors' personal identity construction as presented during the research process.

Assuming the claims of all stakeholder groups are valid, the commonalities and differences in perceptions of the importance of IR and how it should operate must coincide and work in parallel. How can these work together? The interests of all the interviewees converge in the sense that a fair IR system would facilitate the relationship between the stakeholder groups as they need to coexist. If they wish to coexist, they must develop and establish an IR system that would, for example,

protect stakeholders from the phenomena of clientelism and populism in a way that the former regulated IR system did not. In such a beneficial way, their courses could be parallel and interconnected. But how can such a system prevent the stakeholders from such phenomena? This is a vast subject that concerns the principles of good faith and attitudes the stakeholders should have. However, although it is difficult to establish and enact an ideal IR system that maintains the balance between the key stakeholders, the following aspects may be highlighted through reflection on the subject: when interests converge, perceptions may coincide and thus the possibility of conflict is eliminated or at least minimized; the correspondence between the views of the EE and CPA already noted is an example of the common interests (common identity characteristics) that might provide the basis for developing such solidarity.

The second and third issues addressed in the content analysis grid (Appendix I) consider the impact of the crisis on IR and the implications of the reform measures in IR (changing the balance of power between the stakeholders) and the future of IR. As mentioned previously in section 3.3.2., the reform processes were implemented through substantial legislative changes, amending the IR system in an autocratic fashion to change it from a regulated institutional system to a deregulated deinstitutionalized system. Although these changes were described as democratic, they were implemented variously but autocratically, depending on which political party was in power, overruling any effort to provide fair terms in IR institutions and processes. Thus, the late reform changes (the deregulation of the IR system) forcefully downgraded the roles of institutions, trade unions and collective bargaining processes perceived by the majority of the interviewees to be important (average score of 3 in the content analysis grid in Appendix I). This change (deregulation) in IR, far from creating a balance between the key stakeholders, undermined the role of the EEs and established ERs as the more powerful actors. The Troika's reasoning in relation to the reform measures for IR was to minimize the institutionalized IR system, which was considered to be an obstacle to the competitiveness of industry; however, the respondents were of the opposite view as they unanimously agreed that these reform (austerity) measures in IR (represented by, for example, the reduction in salaries) led the economy into a deeper recession

and the abrogation of institutions (union privileges and collective agreements/arbitration processes) damaged the institutional existence of IR per se.

Furthermore, the respondents agreed that the late reform measures in IR changed the balance of power in favour of the ERs and these measures were imposed without the EEs' consent with unpredictable results for the IR system, the economy and, by extension, society. At this point, there are some contradictions in the ER respondents' accounts. They accepted the validity of the abrogation of institutions and the reduction in salaries to increase the competitiveness of industry, but they also took the view that these austerity measures had a negative impact and resulted in a deeper economic recession. For example, they claimed that austerity measures focused on increasing taxes and decreasing salaries, thus drastically reducing the purchasing and taxpaying power of EEs, which in turn had an impact in terms of a dramatic decrease in the consumption of all goods and services, with unpredictable effects on ERs and the economy; therefore, the chain effects of the measures caused conflicting perceptions in the ERs' regarding which reform changes could be viewed as beneficial or not. This paradox opens up a major discussion in relation to economic issues which should be considered in further research, but is beyond the scope of this thesis. Nevertheless, the ER respondents argued that even if the nominal minimum salary in Greece were reduced dramatically by the legislative reform measures, the reduction would not be adequate in terms of competing internationally, for example in comparison with the Chinese nominal minimum salary range, which is much lower than Greece's levels. According to the China Labour Bulletin (2013), the range of the nominal minimum wage in China in 2013 was approximately 1,050–1,620 Chinese Yuan (1 Yuan was approximately 0.125 euro in December 2013) and thus the nominal minimum wage paid on a monthly basis was approximately 128.62–202.5 euro compared to Greece's nominal minimum salary of 586.08 euro. If this difference in the nominal minimum salary is generally indicative of Greece's economy, what might be the difference in comparison with the salaries of North European countries and the future indication in terms of competitiveness?

Regarding the possibility of the future emergence of IR in Greece through new reform changes, it seems that the current crisis has highlighted not only the inadequacy of the old social welfare state which relied on an institutional IR system which was not supported by sound economic budgets, but also the inadequacy of institutions derived from the recent austerity measures and changes in IR (the deinstitutionalization of IR); this has created new and more acute social problems, such as poverty and social marginalization, problems requiring not unilateral solutions, but provisions based on sound research findings. Policymakers need to be inspired to find solutions mutually acceptable to key stakeholders. Both the future of IR in Greece and the current socioeconomic situation look ominous. Rather than imposing austerity measures, policymakers and politicians should look for solutions that will not only satisfy lenders concerned with securing their interests through additional lending agreements (memoranda), but that will resolve problems through carefully calibrated solutions. I interpret this as entailing the restructuring of economic principles in Greece and possibly other EU member countries to generate growth and make their economies more competitive, thus ensuring the repayment of loans and the future emergence of IR, finally converging with the key aim of the EC's labour law (see <http://ec.europa.eu/social/main.jsp?catId=157&langId=en>), that is ensuring a high level of employment and substantial economic growth for the continuous improvement of living and working conditions throughout the EU.

6.2. The extent of consensus

From the above discussion and establishing the extent of consensus on the reform measures concerning IR, it is possible to highlight the following aspects derived from the interviews during the research process, which together form criteria for determining whether consensus is achieved:

- Consensus on the measures is based on the extent to which they are formed on fair terms, with mutual consent and in compliance with maintaining the balance of power between the key stakeholders.
- Consensus on the measures is based on good faith, in particular that they reflect the perspectives of the key stakeholders to win their confidence.

- Consensus on the measures is based on the mutual accommodation of the key stakeholders' interests.

From the above points, it is evident that the extent of consensus on the part of the stakeholders concerning the changes in IR and the impact of these changes on Greek industry converges for the three groups of stakeholders under certain criteria in relation to the first key issue (the importance of IR in Greek industry), as reflected in the findings shown in the content analysis grid (Appendix I) and discussed in the previous section, but diverges in relation to the other two key issues (the impact of the changes on IR and the implications of the measures for IR and society).

In relation to the latter two key issues, the ERs accepted the reform measures imposed (the deregulation of the IR system), but did not accept the austerity measures which they considered have exerted a negative impact on the economy by causing deeper recession. In contrast, the EEs and CPAs were against the abrogation of IR institutions (collective agreement/arbitration processes). What is interesting is that all the three stakeholder groups, including the URs, agreed on the cancellation of union privileges. They were therefore unanimous in considering that one part of the institutional framework of IR in Greece had malfunctioned, namely the trade unions (especially that of the leaders) before the crisis (Chapter 3, pp. 21–36).

Moreover, the majority of the interviewees from all three groups disagreed with the measures imposed and the way in which they were imposed by the state with the intervention of the Troika and they agreed on the negative impact the measures had caused to the economy and IR. The imposition of these measures without the general consent of the stakeholders implies the lack of a democratic process in the formation of the governing policies, with unpredictable results for IR actors and institutions. Therefore, the reform changes in IR surpassed the tolerance limits of the stakeholders, especially those in a relatively weak position, causing social turmoil and increasing uncertainty in the economy and the political system: action and reaction effects having unpredictable results.

Assuming that fairness and good faith were embedded in every proposition, which was not the case in relation to the last two key issues, there was also not total correspondence between the stakeholders' interests; thus, there was not complete acceptance on the part of the stakeholders with regard to every issue as the three prerequisites for consensus were not fulfilled. Consensus is based to a certain extent on the correspondence between the stakeholders' interests: maintaining the balance of power between the key stakeholders, maintaining good faith and accommodating the key stakeholders' interests.

6.3. The failure of the modernization of IR

This section analyses the findings in terms of how the previously attempted modernization of IR in Greece during the 1980s and 1990s failed. To do so, it utilizes some elements of Weick's (1995, 2001) theory, specifically those which deal with explaining organizational success and failure.

As mentioned in Chapter 3 (section 3.3.1.3), the modernization of the IR system in Greece was attempted at the beginning of the 1980s and 1990s through the establishment of institutions, the trade unions and the collective bargaining processes, through the enactment of Laws 1264/1982 and 1876/1990. Both laws provided excessive powers to trade unions and enabled the protection of their members through a complex of special provisions that entrenched the syndicate rights of EEs against ERs and established the rules of a collective bargaining system. The findings, in line with the relevant literature, reveal weaknesses within the IR system caused by the appearance of the phenomena of clientelism and populism. The legislative provisions referred to above, although aiming to modernize IR, were misused by the trade unions and the state. This caused a failure in providing a positive stance on the ER–EE relationship, ultimately resulting in substantial legislative changes towards the deregulation of the IR system through the deconstruction of the institutions, empowering the ERs. The state, with the Troika's intervention, instead of being a fair regulator of the system responsible for determining the rules for a fair IR system and maintaining the balance of power

between the key stakeholders, imposed austerity measures with unpredictable results.

This relationship between the government and trade unions signalled an unhealthy and unethical relationship (Catefores & Tzannatos, 1996; Kritsanonis, 1992; Pappas, 2010). The trade unions, empowered by the provisions of the two laws enacted for the establishment of a modernized IR system, exerted a negative influence on the politicians, who abandoned prudence to satisfy their electoral clienteles instead of introducing strict austerity programmes, with the well-known unpredictable results for the economy and the IR system of Greece. Therefore, the government and unionism mistook their institutional identities and they became trapped by their own choices; were they institutional actors or self-benefactors? As Weick (1995, 2001) has argued in relation to the extent and development of another organizational failure, the Mann Gulch forest fire in Montana in 1949, here we can identify the organizational failure of the attempted modernization of IR in Greece; this was influenced by the misuse of institutions and the failure to control the syndicate movement. These organizational failures were characterized by individual voluntary prosperity choices, made without the wide consensus of union members or the ERs, making it difficult for the various government regimes to make sense of what was happening and finally making it difficult for ERs to maintain the industry's competitiveness.

Moreover, the lack of alignment between trade union demands and the economy's ability to support regular increases in salaries and other fringe benefits, together with the weakness of the political system in recalling, identifying and appraising previous experience and undertaking appropriate administrative measures, were determining factors in the failure of the attempt to modernize the IR system effectively.

In addition, there was a lack of solidarity between the stakeholders, the trade union leaders and the political leaders in implementing prudent cooperation. Their decisions were based on intuitive judgements of plausibility, for their personal benefit and not on carefully calibrated rational evaluations aimed at complying

with fiscal discipline in wise economic management to restore the desired competitiveness of the industry and the revival of an equally balanced IR system for all stakeholders.

Reflecting on this discussion, we can assert from that the findings uncovered during this research together with the knowledge gathered from the literature regarding the subject the evolution of IR is in constant motion. As Heraclitus of Ephesus said, ‘All is flux, nothing stays still’ (6th century BC, see Fieser, 2008). Heraclitus viewed the elements of nature as being in constant struggle. Continuous motion and change are fundamental features of reality which remain the same while their constituents constantly change. In the subject considered here, the concept of IR is the reality and its existence remains the same while the socioeconomic environment is constantly changing, making the system’s institutions more or less regulated or deregulated. Similar to Heraclitus’s argument, Weick (1995, 2001) claims that sensemaking is ongoing, accommodating the continuous flow of experience which enables people to keep up with dynamic events.

CHAPTER 7

CONCLUSION

In this section, I draw conclusions from the research findings and discuss the contributions of the thesis to knowledge and to managerial practice.

This thesis has considered the consequences of the financial crisis for Greek IR. By drawing on the views of IR actors' perceptions, I have examined not only the impact of the crisis, but also the short- and long-term consequences of the recent economic and political developments for Greek ER and EE relations. Furthermore, it is important not to lose sight of the fact that the evolution of IR in Greece has implicit consequences for the rest of the EU.

For many decades, certainly until the early 1980s, the Greek IR system was marked by a lack of democracy both in content and in negotiation processes. In particular, the state imposed employment rules and regulations that usually favoured the interests of ERs. However, as discussed here, Greece embarked on a series of modernization process, one by design in the 1980s and one out of desperation more recently. In the first period, the state attempted to transform the Greek IR system, moving away from an authoritarian system to a highly institutionalized IR system, in particular recognizing and empowering trade unions.

Here, we must acknowledge that ERs have never really accepted this process of modernization, arguing that it was imposed upon them and that they were forced to accept new institutional legal arrangements that promoted EE representation through trade unions and collective bargaining/arbitration. All the new aspects were considered to favour EEs and undermine ER competitiveness. Furthermore, some respondents, mainly ERs, claimed that this process of modernization ushered in what is widely referred to as clientelism. By empowering trade unions, political parties also secured votes; they thus became prisoners of union barons according to some respondents. Ultimately, this system of clientelism, a system that led to inflation and labour inflexibility, is viewed as one factor that contributed to the Greek economic meltdown and led the Troika to impose certain measures. This political clientelism is considered to have undermined the emergence of a regulated

institutional system as new IR instruments were not utilized to facilitate the mitigation of conflicts in an atmosphere of social dialogue, but rather to achieve maximum gain at all costs.

However, prior to the financial crisis, relations between capital and labour showed signs of a new departure in Greek IR. Referred to above as the mini crisis, there was a realization that the current arrangement was unsustainable. A need was perceived for certain mechanisms to provide mutual compromises, a kind of coexistence between EEs and ERs, called a ‘measure’ or ‘metron’ (in Greek) of the rights and obligations of the actors, in order to establish an IR system for the benefit of both actors (a win–win situation). As a solution, there was a slight move towards a common path through the mini crisis process, leading in the direction of a social partnership approach favoured by Northern European countries, which was considered theoretically to be an acceptance of pluralism. However, before the fruits of this effort could be reaped, the crisis engulfed Greece and the Troika forced the state to undermine this move by unilaterally imposing austerity measures, continuing the authoritarian undemocratic approach that had prevailed for many decades.

It is important to mention here that the majority of interviewees perceived that this change, the dismantling of the IR system, was not instigated by Greek people but imposed by the external intervention of the Troika. This was a severe reversal from one extreme to the other, a deregulation or disintegration of the issues related to IR. Many interviewees critically noted that instead of examining whether a middle solution already existed or could be found by amending the institutional IR system to serve both key stakeholders’ interests, the Troika imposed radical solutions in an undemocratic way to please lenders in the short term and ERs and future investors in the long term. This change has been partially accepted by ERs in terms of making the economy more competitive, but rejected in terms of the reduction of the buying power of EEs and the cash flow, leading the economy into deeper recession. This new historical stage in Greek IR has raised some interesting questions and debates among Greek IR actors: in particular, is the dismantling of the Greek IR system likely to encourage foreign investors?

Moreover, though, what does the current state of play mean for Greek IR? Some commentators have argued that the current political and economic situation has allowed the state, supported in some quarters by ERs, to return to the true employment relationship in Greece prior to the 1980s. This process of deregulation is conceived as allowing ERs to take advantage of the shifting balance of power which will allow them to minimize employment costs. For example, as Interviewee 19 (CPA) claimed:

‘There are many cases of ERs abusing authority when they attempt salary reductions for existing EEs by forcing them to accept ... the minimum levels of the NGCEA and firing them if they refuse. Therefore, EEs are forced to accept the new employment status.’

Ultimately, the current situation raises the question of whether in light of the changes in Greek IR from the institutional and pluralist system to a more liberated and flexible regime, Greek IR as a system for mitigating conflict and promoting partnership has a future. Based on the current circumstances, the prospect of an institutionalized IR system is unlikely, at least in the short term. A realistic solution might be to develop an IR system in which all issues, terms and conditions are determined by the ‘measure’ or the ‘metron’ (the middle way).

At this point, it might help to consult Aristotle’s *Politics* (350 BC), particularly his notion of ‘*politia*’ on the political and social system of his times, which provided great inspiration to many philosophical movements. He taught that the main issue that characterizes the supreme political benefit is the integration of the human within a polity that exists for the realization of this benefit. In searching for the ideal polity, the scope of the existence of the state is only to act for the common benefit of the citizens overall. Aristotle, with these virtues characterized by ethics, supports the governance of the many, the polity that defines a state (*politia*) as the ideal polity for humans. Therefore, in resolving crises, reform measures have to serve this supreme political benefit in order to be effective and real. In the opposite case, they will not last, but will subvert the foundations of a just society (antireform). He supports the view that the perception of the many is superior to the

perception of the one or the few. It could be perceived in modern life that IR in every state plays a crucial role in the integration of human society, a polity that should exist and act within the parameters of justice and equality principles for overall benefit. Nevertheless, since Aristotle's time, there has been a great variety of polities, democratic or not, with or without justice and equality principles.

In questioning whether the current IR system in relation to the state's economic governance, which produced the debt crisis in Greece, is beneficial to both industry and ERs, it is not implied that it should be changed to a new, more neoliberal, more competitive IR environment (a kind of Balkanization or Chinaization of IR). It is still questionable whether the reforms should focus first on the state's economic governance and second on the cost of the collapse and the regeneration of a new IR system. Although the state's ineffective economic governance produced the debt crisis, the question of whether EEs have to take on the burden of resolving the crisis remains unanswered and need further research.

Nevertheless, the current economic environment will play an important role in the formation of future IR in Greece and the extent to which all issues, terms and conditions in the IR system are determined by the 'metron'. In other words, equilibrium in conflict management could be achieved instead of dismantling everything or destroying the economy and restarting from the beginning regardless of the human cost.

7.1. The contribution of this thesis to knowledge and managerial practice

In addition to the findings, this research is original in that the chosen methodology uses two complementary methods to address the research questions with the aim of providing further insights into the impact of the crisis on IR in the Greek industry. More explicitly, the research draws on Weick's (1995, 2001) theory to develop an interpretive perspective on the interviewees sensemaking of the impact of the crisis on IR and its implications, complemented by an analysis using a content analysis grid. Therefore, the contribution of this thesis to knowledge is defined in terms of the methodology (complementary methods) adopted in developing the knowledge base.

Regarding the contribution of this thesis to managerial practice, the examination of the Greek IR system reveals frequent changes in its traditions and practices, as well as in the main actors that deal with the IR system and its institutions and the change of the balance of power between the key stakeholders. It also reveals that the success of any reform measures needs to be assessed from the perspective of the extent of acceptance, or the consensus of the key stakeholders, based on the satisfaction of their interests. Therefore, consensus should always be taken into account when new measures are conceived by policymakers or state legislators.

It can be perceived that the development of the competitiveness of the economy through the autocratic imposition of austerity reform measures will not be accomplished by diminishing the quality of life of the stakeholders. It has been proven that the modernization of IR and the late deregulation of IR system have been imposed and implemented unilaterally. The result of the current reform programme has clearly been a disaster and has worked against the aim of improving the economy in Greece. On the contrary, the current reform programme has dramatically increased public debt and the reform measures in IR have not achieved the desired effects in terms of increasing the economy's competitiveness and quality of life of key stakeholders, having gained only limited acceptance from ERs. Therefore, the extent of consensus has been limited among stakeholders.

As a result, for managerial practice and for policymakers, it can be perceived that there are limits in terms of attaining goals, bearing in mind the positive and negative effects of the measures from the perspectives of the key stakeholders. This means to attain the goal of implementing measures to manage economic or corporate crises and revitalize the competitiveness of the economy, it is necessary to consider the interests of all key stakeholders. As for the relationship between the key stakeholders, processes and institutions aimed at sustaining a balanced relationship should be formed on the basis of research by the stakeholders and the state to avoid unpredictable effects on the economy, the key stakeholders and society. The scope of the factors considered in this thesis and the findings uncovered may contribute to this process, identifying what is necessary to satisfy

the needs of the stakeholders, mitigate conflicts and establish systems that are based on economic and human principles, thus maintaining the balance of power between the key stakeholders; these aspects are interdependent and must be considered as a whole. In addition, what is happening in IR within the unstable, collapsing and continuously changing socioeconomic environment in Greece will be judged from the results either in the short or long term, but further systematic research is also needed to provide new insights to stakeholders.

APPENDIX I

CONTENT ANALYSIS GRID (stakeholders' views)

		ERs								EEs						CPAs								
STAKEHOLDERS' CATEGORY		HRDs	LMs	URs	LEGAL ADVISOR	MARKETING MANAGER	PROCUR. and ADMIN. MANAGER		HRMLs						URs		CIVIL SERVANTS		POLICYMAKERS/ACADEMICS					
KEY ISSUE	INTERVIEWEE/ISSUE	1	2	3	4	5	6	7	AVERAGE	8	9	10	11	12	13	14	AVERAGE	15	16	17	18	19	AVERAGE	AVERAGE TOTAL
1. IMPORTANCE of IR in the Greek economy	How important is the existence of IR (institutions and collective bargaining) within Greek industry?	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3,00	3,00
	Deregulation of IR	3	3	3	3	2	3	3	2.86	2	2	1	1	1	1	1	1,29	1	2	3	1	1	1,60	1.91
2. The IMPACT of the CRISIS on IR	Cancellation of institutions and collective agreements/arbitration processes	3	3	3	3	2	3	3	2.86	2	1	1	1	2	1	1	1.29	1	2	3	1	1	1.60	1.91
	Cancellation of union privileges	3	3	3	3	2	3	3	2.86	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3,00	2.95
3. The IMPLICATION of MEASURES on IR and SOCIETY	Austerity measures lead the economy to a higher recession	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3	3	3,00	3	2	3	3	3	2.80	2.93
	Measures imposed without EE consent	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3,00	3,00
	Measures favoured ERs but there is no entrepreneurship	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3	3	3,00	3	3	3	3	3	3,00	3,00
	EEs will gain from the	1	1	1	1	1	1	1	1.00	1	1	1	1	1	1	1	1.00	1	1	1	1	1	1.00	1.00

[illegible]

APPENDIX II

The Business, Law and Social Sciences (BLSS) Graduate School Doctor in Business Administration (DBA) Programme

Ethical Approval Checklist – Form B

Form B must be signed off by the research student, one member of the supervisory team, and a programme leader, to signify that the proposed research conforms with good ethical principles and standards, before commencing any research in preparation for **Documents 5** within any of the professional doctorate programmes.

Assurance that all research fieldwork will conform with good ethical standards is provided by the student when signing this form. Please complete this document following the BLSS Graduate School & the DBA Programme Guidelines.

Award title	Doctor in Business Administration (DBA)
Cohort	6
Research Student's Name	Apostolos Etmektzoglou
Document title	The impact of the financial crisis on Industrial Relations (IR) within the Greek construction industry
Supervisors	1. Nestor Valero-Silva 2. Michael John Whittall
Date	16/07/2013
Identify any question indicating that approval from PDREC is required.	

At the end of each section it will be indicated if ethical approval must be sought from the Professional Doctorates Research Ethics Committee (PDREC).

1. Research Student

Section OA I: Familiarisation with policy

Please confirm if you are fully acquainted with policy guiding ethical research:

- BLSS Graduate School research ethics policy, and the procedures for ethical approval in the DBA Programme.
- The guidelines for ethical research promulgated by your own professional association, as appropriate
- The Regulations for the Use of Computers (see NTU website)
- Guidelines for Risk Assessment in Research (Appendix 3)

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

If you answered **NO** to any of these questions, please note that you must study these guidelines and regulations before proceeding to complete the remainder of this form.

Section OA II: External Ethical Review

OB.1 Has a favourable ethical opinion been given for this project by an NHS or social care research ethics committee, or by any other external research ethics committee?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

OB.2 Will this project be submitted for ethical approval to an NHS or social care committee or to any other external research ethics committee?

If you answered **YES** to either of these two questions, please sign the declaration at the end of the form and submit it (together with the letter confirming ethical approval) before starting any primary research.

If you answered **NO** to both questions, please proceed to Section A

Section A: Investigators

A.1. Have you attended the professional doctorate workshops on research methods (modules 1 and 2) or attended other award-bearing or training programmes on research methods?

YES ✓	NO
----------	----

A.2. Are you in regular contact with your supervisory team?

YES ✓	NO
----------	----

A.3. Can you confirm that you are **NOT** expected to undertake physically invasive procedures (not covered by a generic protocol) during the course of the research?

YES ✓	NO
----------	----

A.4. Can you confirm that you will **NOT** be in a position of authority that may compromise the integrity of participants (e.g. academic staff using his/her students, or managers using subordinates as participants)?

YES ✓	NO
----------	----

If you answered **NO** to any of questions A1-A.4, an application for ethical approval needs to be made to the PDREC.

Section B: Participants & Methodology/Procedures

B.1. Does the research involve vulnerable participants? If not, go to Section C

B.2. If the research *does* involve vulnerable participants: will participants knowingly be recruited from one or more of the following vulnerable groups?

- Children under 18 years of age
- People over 65 years of age
- Pregnant women
- People with mental illness
- Prisoners/Detained persons
- Other vulnerable group

• please specify: _____

Yes	No
Yes	No
Yes	No
Yes	No
Yes	No
Yes	No

B.3. Have you been asked to obtain a Criminal Records Bureau (CRB) check as a condition of access to any source of data for this document in the UK?

Yes	No
-----	----

B.4 To the best of your knowledge, please indicate whether the proposed study:

- Involves procedures likely to cause physical, psychological, social or emotional distress to participants
- Is designed to be challenging physically or psychologically in any way (includes any study involving physical exercise)
- Exposes participants to risks or distress greater than those encountered in their normal lifestyle
- Involves the use of hazardous materials

Yes	No
Yes	No
Yes	No
Yes	No

If you have answered **YES** to any of questions B1-B4, an application for ethical approval needs to be made to the PDREC.

Section C: Observation/Recording

C.1 Does the study involve data collection, or the observation or recording of participants?

Yes ✓	No
Yes ✓	No

C.2 Will those contributing to the data collected (being observed or being recorded), or those of the appropriate authority, be informed that the observation and/or recording will take place?

If you have answered **NO** to question C.2, an application for ethical approval needs to be made to the PDREC.

Section D: Consent and Deception

Informed Consent & Data Withdrawal

D.1 Will participants, or those of the appropriate authority, be fully informed of the objectives, and of all other particulars of the investigation (preferably at the start of the study, but where this would interfere with the study, at the end)?

Yes ✓	No
-------	----

D.2 Will participants, or those of the appropriate authority, be fully informed of the use of the data collected (including, where applicable, any intellectual property arising from the research)?

Yes ✓	No
-------	----

D.3 For detained persons, members of the armed forces, employees, students and other persons judged to be under duress, will care be taken over the gaining of freely informed consent?

Yes ✓	No
-------	----

D.4 Will participants, or those of the appropriate authority, be informed of their right to withdraw from the investigation at any time (or before a specific deadline) and to require their own data to be destroyed?

Yes ✓	No
-------	----

If you have answered **NO** to any of questions D.1-D.4, an application for ethical approval needs to be made to the PDREC.

D.5 Does the study involve deception of participants (i.e., withholding of information and/or misleading participants) which could potentially harm and/or exploit participants?

Yes	No ✓
-----	------

If you answer **NO** to question D.5, please proceed to section E.

Deception

D.6 Is deception an unavoidable part of the study?

D.7 Will participants, or those of the appropriate authority, be de-briefed and the true object of the research revealed at the earliest stage upon completion of the study?

D.8 Has consideration been given on the way that participants, or those of the appropriate authority, will react to the withholding of information or deliberate deception?

Yes	No
Yes	No
Yes	No

If you have answered **NO** to questions D6-D.8 an application for ethical approval needs to be made to the PDREC.

Section E: Storage of Data and Confidentiality

Please see University guidance on https://www.ntu.ac.uk/intranet/policies/legal_services/data_protection/16231gp.html. You will need your user name and password to gain access to this page on the Staff Intranet.

E.1 Will all information on participants be treated as confidential and not identifiable unless agreed otherwise in advance, and subject to the requirements of law?

E.2 Will storage of data comply with the Data Protection Act 1998?

E.3 Will any video/audio recording of participants be kept in a secure place and not released for use by third parties?

E.4 Will video/audio recordings be destroyed within six years of the completion of the investigation?

✓ Yes	No
✓ Yes	No
✓ Yes	No
✓ Yes	No

If you have answered **NO** to questions E1-E4, an application for ethical approval needs to be made to the PDREC.

Section F: Incentives

F.1. Have incentives (other than those contractually agreed, salaries or basic expenses) been offered to the investigator to conduct the investigation?

Yes	<input checked="" type="checkbox"/> No
Yes	<input checked="" type="checkbox"/> No

F.2. Will incentives (other than basic expenses) be offered to potential participants, or those of the appropriate authority, as an inducement to participate in the investigation?

If you have answered **YES** to questions F1-F2, an application for ethical approval needs to be made to the PDREC.

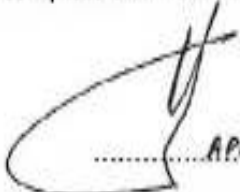
The design of the participant information sheet/consent form, and of any research instrument (including questionnaires, sampling and interview schedules) that will be used have been discussed with my supervisor(s).

<input checked="" type="checkbox"/> Yes	No
---	----


Compliance with Ethical Principles

Please sign the declaration below, to confirm that this form has been completed to the best of your knowledge and after discussing the answers provided with your supervisor(s). If at any stage you have been asked to submit an application for ethical approval to the PDREC please also complete and submit the appropriate form.

Signature of Research Student

 APOSTOLOS ETMEKTZOGLOU

Signature of Supervisor

Professor Whittall 

Signature of Programme Leader



Date

19.7.13

APPENDIX III

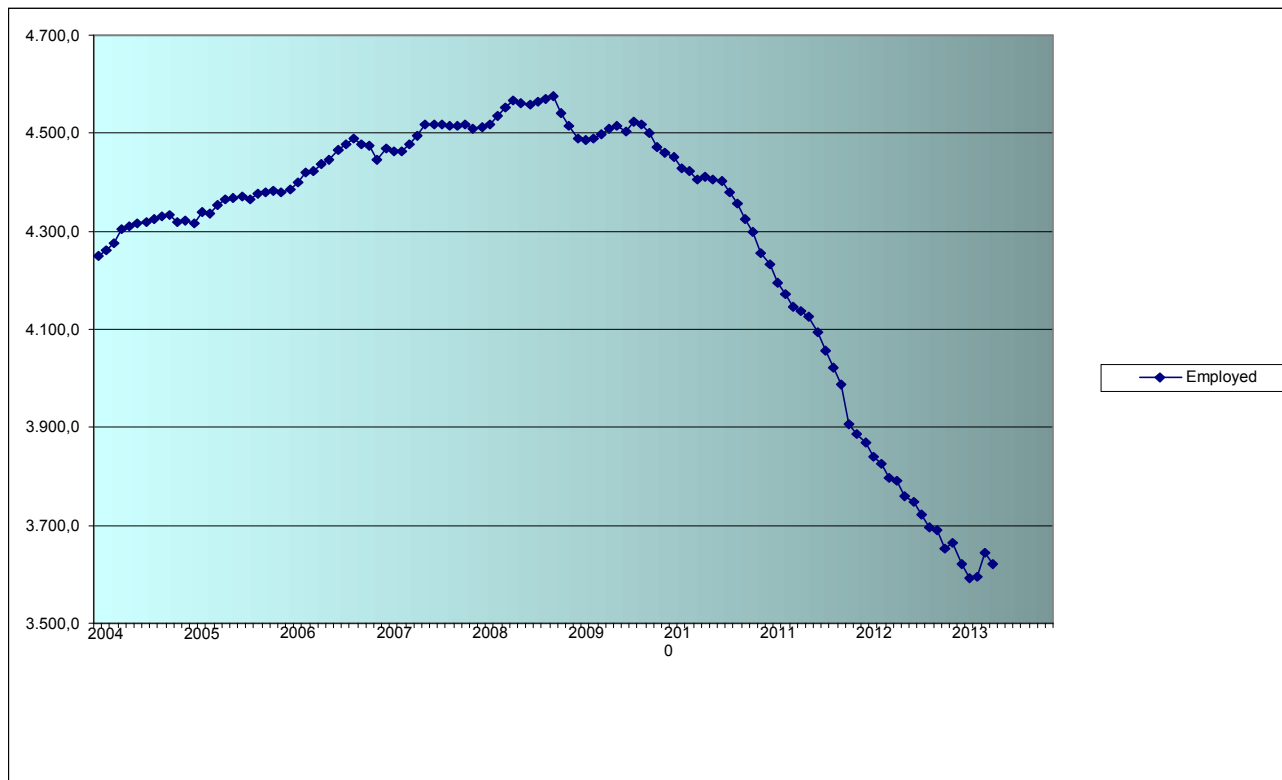
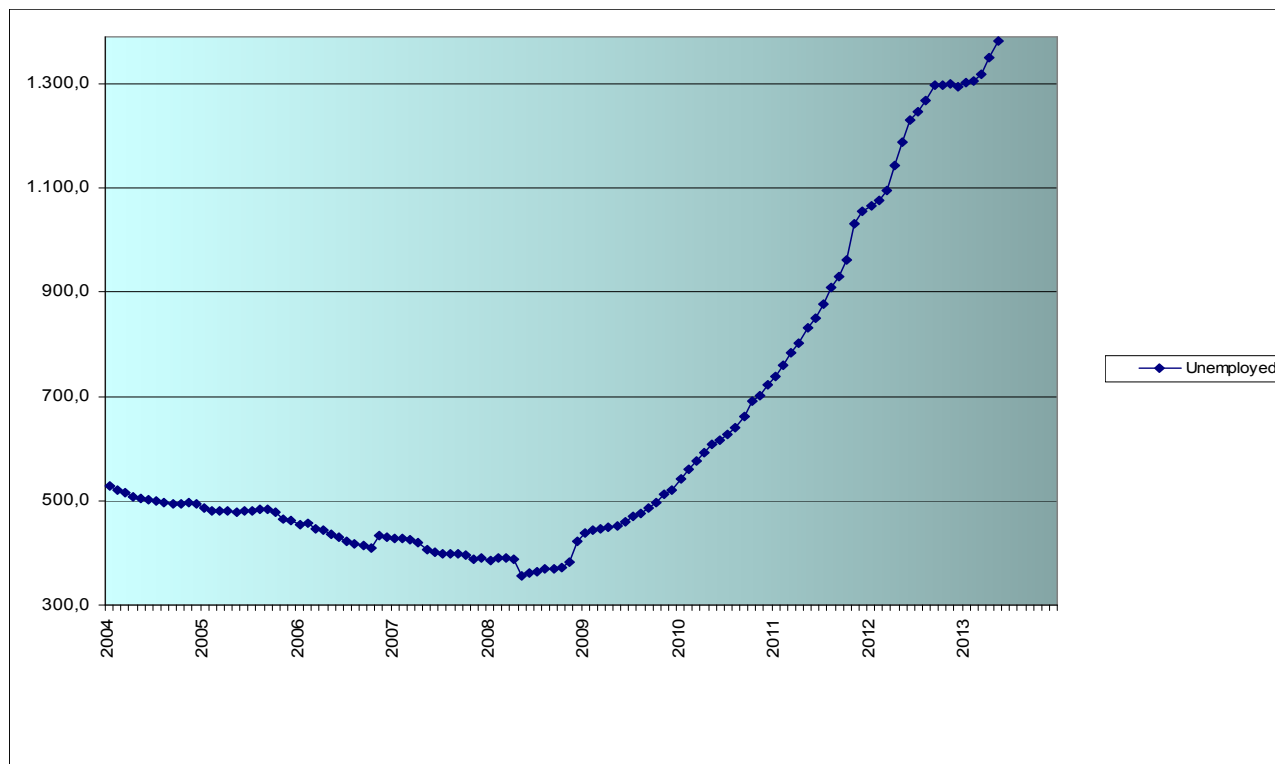
Unemployment, Employment, Monthly results from January 2004 to May 2013 (Hellenic Statistical Authority, 2013)

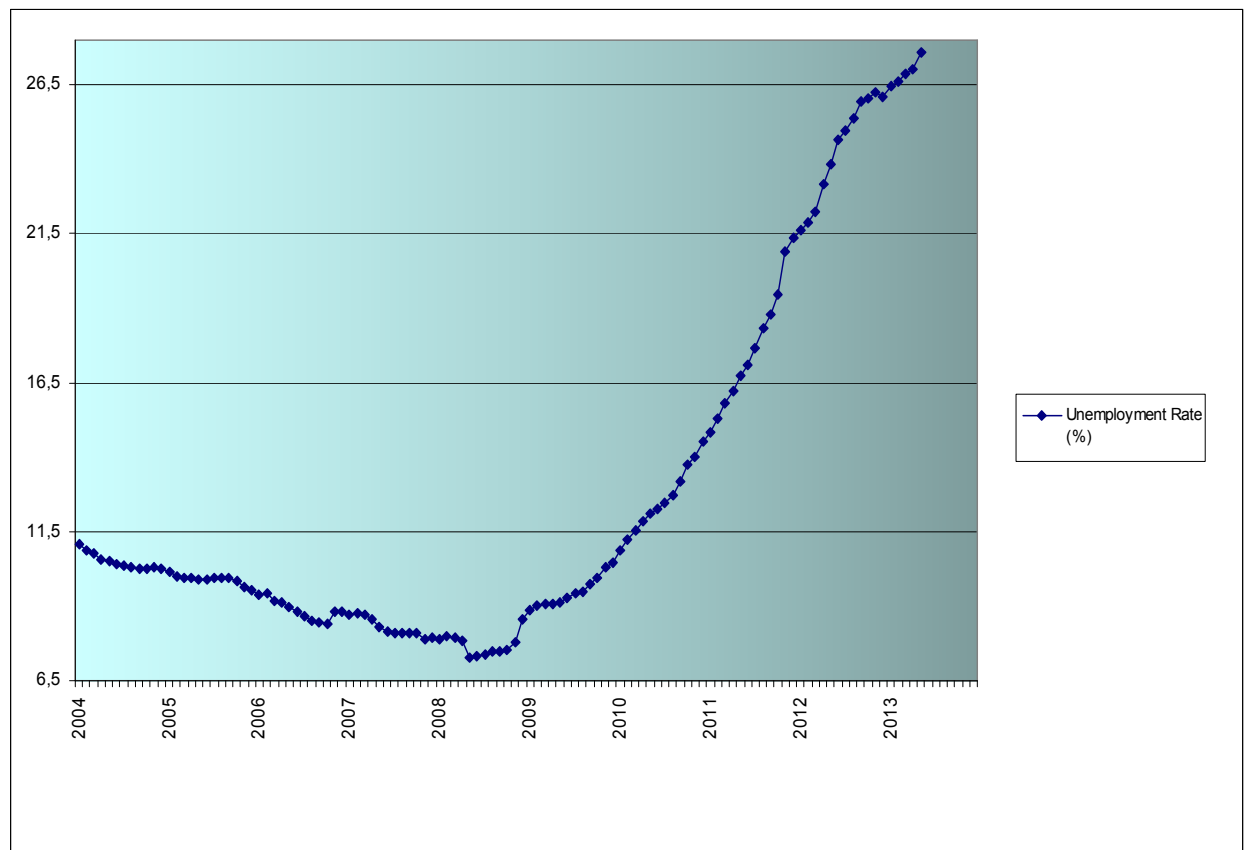
Description of Graphs and Data

This survey contains three graphs. Graph 1 presents employed persons; Graph 2 unemployed persons; and Graph 3 unemployment rates. All graphs present monthly results, beginning in January 2004.

In the sheet ‘MONTHLY RESULTS’, detailed data from the Labour Force Survey are presented: number of employed, unemployed, persons in the labour force (all in thousands) and the unemployment rate.

Monthly results are based on the same survey that produces quarterly results. The Quarterly Labour Force Survey is designed in such a way that selected households provide information on their members’ labour statuses for a particular week of the quarter. Monthly results are based on this part of the sample that is surveyed for the weeks that comprise the particular month. The monthly results presented here are seasonally adjusted.

Graph 1**Graph 2**

Graph 3

MONTHLY RESULTS

		Total Labour Force	Employed	Unemployed	Inactive	Unemployment Rate (%)
2004	January	4.779,7	4.250,3	529,3	3.493,1	11,1
	February	4.781,5	4.262,0	519,5	3.492,6	10,9
	March	4.791,7	4.275,5	516,2	3.488,1	10,8
	April	4.813,4	4.305,4	508,0	3.478,0	10,6
	May	4.816,5	4.311,3	505,2	3.482,0	10,5
	June	4.819,0	4.317,4	501,6	3.485,8	10,4
	July	4.818,3	4.318,0	500,3	3.486,8	10,4
	August	4.820,7	4.324,3	496,4	3.485,6	10,3
	September	4.825,7	4.330,9	494,8	3.485,4	10,3
	October	4.826,9	4.332,9	494,0	3.480,9	10,2
	November	4.817,0	4.320,0	497,0	3.478,1	10,3
	December	4.816,8	4.323,5	493,3	3.473,5	10,2
2005	January	4.801,6	4.315,0	486,6	3.481,0	10,1
	February	4.820,7	4.339,7	481,0	3.471,6	10,0
	March	4.817,3	4.337,1	480,2	3.476,0	10,0
	April	4.834,3	4.354,0	480,3	3.467,2	9,9
	May	4.845,8	4.366,4	479,4	3.458,6	9,9
	June	4.849,5	4.369,7	479,9	3.458,5	9,9
	July	4.852,7	4.371,0	481,7	3.457,5	9,9
	August	4.847,4	4.364,2	483,1	3.457,9	10,0
	September	4.858,1	4.375,5	482,6	3.449,5	9,9
	October	4.858,8	4.381,2	477,5	3.444,6	9,8
	November	4.847,5	4.381,5	465,9	3.443,4	9,6
	December	4.839,6	4.378,5	461,0	3.439,6	9,5
2006	January	4.841,3	4.386,3	455,0	3.438,5	9,4
	February	4.857,0	4.399,4	457,5	3.428,1	9,4
	March	4.867,6	4.421,5	446,1	3.429,3	9,2
	April	4.867,3	4.423,2	444,1	3.436,4	9,1

	May	4.872,9	4.436,5	436,4	3.437,8	9,0
	June	4.876,3	4.447,0	429,3	3.437,9	8,8
	July	4.888,2	4.465,4	422,9	3.431,7	8,7
	August	4.894,9	4.477,7	417,2	3.428,0	8,5
	September	4.903,1	4.489,2	413,9	3.424,2	8,4
	October	4.887,0	4.476,8	410,2	3.433,8	8,4
	November	4.907,2	4.475,0	432,2	3.425,3	8,8
	December	4.876,6	4.446,9	429,7	3.429,0	8,8
2007	January	4.896,8	4.469,4	427,4	3.417,5	8,7
	February	4.891,7	4.463,6	428,1	3.425,6	8,8
	March	4.888,0	4.462,6	425,4	3.426,0	8,7
	April	4.895,6	4.477,2	418,4	3.426,1	8,5
	May	4.902,7	4.495,7	407,0	3.424,9	8,3
	June	4.920,4	4.518,8	401,6	3.411,5	8,2
	July	4.918,8	4.519,6	399,1	3.411,3	8,1
	August	4.915,9	4.517,3	398,7	3.415,4	8,1
	September	4.913,3	4.515,8	397,5	3.421,1	8,1
	October	4.913,3	4.516,7	396,6	3.419,6	8,1
	November	4.908,0	4.519,6	388,4	3.420,5	7,9
	December	4.900,0	4.509,7	390,2	3.420,4	8,0
2008	January	4.896,5	4.511,4	385,1	3.426,7	7,9
	February	4.909,4	4.517,7	391,7	3.410,5	8,0
	March	4.925,2	4.534,5	390,7	3.399,0	7,9
	April	4.939,2	4.552,5	386,7	3.391,0	7,8
	May	4.924,0	4.567,0	357,0	3.401,9	7,3
	June	4.921,9	4.560,5	361,4	3.405,2	7,3
	July	4.922,2	4.559,7	362,5	3.406,2	7,4
	August	4.932,4	4.563,7	368,7	3.393,9	7,5
	September	4.938,4	4.568,8	369,6	3.394,5	7,5
	October	4.946,9	4.574,9	371,9	3.387,6	7,5
	November	4.924,2	4.541,4	382,8	3.391,3	7,8
	December	4.936,4	4.514,1	422,3	3.385,7	8,6

2009	January	4.928,2	4.490,4	437,8	3.373,0	8,9
	February	4.929,5	4.485,9	443,6	3.366,2	9,0
	March	4.936,0	4.489,2	446,8	3.359,8	9,1
	April	4.945,7	4.496,8	448,9	3.354,9	9,1
	May	4.962,2	4.509,7	452,5	3.346,0	9,1
	June	4.974,7	4.513,9	460,8	3.333,5	9,3
	July	4.975,3	4.505,1	470,1	3.328,0	9,4
	August	4.999,4	4.524,0	475,4	3.311,6	9,5
	September	5.005,6	4.518,6	487,0	3.302,1	9,7
	October	4.997,0	4.500,8	496,2	3.311,4	9,9
	November	4.983,9	4.471,2	512,7	3.314,0	10,3
	December	4.981,6	4.461,3	520,3	3.313,7	10,4
2010	January	4.994,4	4.451,8	542,7	3.300,7	10,9
	February	4.990,5	4.429,4	561,1	3.297,4	11,2
	March	4.998,6	4.422,0	576,6	3.295,2	11,5
	April	4.998,0	4.406,0	592,1	3.298,6	11,8
	May	5.019,5	4.411,7	607,8	3.290,4	12,1
	June	5.023,9	4.406,9	617,0	3.291,7	12,3
	July	5.028,2	4.402,0	626,2	3.290,1	12,5
	August	5.018,1	4.378,5	639,6	3.298,7	12,7
	September	5.019,6	4.357,3	662,3	3.299,7	13,2
	October	5.014,3	4.324,4	689,9	3.300,0	13,8
	November	4.999,5	4.298,0	701,6	3.306,1	14,0
	December	4.979,9	4.257,0	722,9	3.316,9	14,5
2011	January	4.969,0	4.231,3	737,7	3.323,2	14,8
	February	4.952,6	4.194,0	758,6	3.332,6	15,3
	March	4.956,1	4.171,3	784,8	3.332,3	15,8
	April	4.947,7	4.145,1	802,6	3.345,2	16,2
	May	4.970,8	4.138,3	832,5	3.350,3	16,7
	June	4.978,1	4.126,6	851,5	3.352,4	17,1
	July	4.971,4	4.093,2	878,2	3.358,1	17,7
	August	4.967,5	4.058,1	909,4	3.362,7	18,3

	September	4.951,1	4.021,5	929,6	3.375,6	18,8
	October	4.950,4	3.987,5	963,0	3.369,9	19,5
	November	4.939,2	3.907,3	1.031,9	3.361,4	20,9
	December	4.942,7	3.887,1	1.055,7	3.348,7	21,4
2012	January	4.935,8	3.869,8	1.066,0	3.348,5	21,6
	February	4.916,7	3.840,8	1.075,9	3.356,7	21,9
	March	4.920,9	3.827,3	1.093,6	3.356,2	22,2
	April	4.939,6	3.796,4	1.143,2	3.357,0	23,1
	May	4.979,9	3.792,5	1.187,4	3.352,2	23,8
	June	4.989,6	3.759,3	1.230,3	3.358,0	24,7
	July	4.995,3	3.748,9	1.246,5	3.354,8	25,0
	August	4.988,9	3.722,1	1.266,8	3.360,6	25,4
	September	4.992,9	3.696,4	1.296,5	3.352,2	26,0
	October	4.988,1	3.690,1	1.298,0	3.346,5	26,0
	November	4.953,8	3.654,2	1.299,5	3.343,9	26,2
	December	4.957,5	3.663,0	1.294,5	3.346,3	26,1
2013	January	4.923,0	3.621,4	1.301,6	3.354,6	26,4
	February	4.898,2	3.593,7	1.304,6	3.364,3	26,6
	March	4.915,0	3.595,5	1.319,5	3.372,8	26,8
	April	4.994,5	3.644,0	1.350,5	3.298,2	27,0
	May	5.002,2	3.621,2	1.381,1	3.318,7	27,6
	June					
	July					
	August					
	September					
	October					
	November					
	December					

APPENDIX IV

Interview

(Sample of the participant information/consent form and the interview structure/questions)

Interviewee name: _____

Age: _____

Date: ____/____/2012

I would like to thank you for participating in this research interview. The interview is voluntary and anonymous. The answers you give to the interview questions will be kept confidential and will be taped only for the researcher's personal reminding use for transcript keeping for the use of this study. A copy of the tape will be provided upon your request. It is your right to withdraw from the investigation at any time.

Subject description

The subject of this interview is the impact of the current economic crisis on IR in the construction industry and other industries in Greece. More explicitly, the interview will probe how participants and stakeholders understand

- The importance of IR in the Greek economy,
- The impact of the crisis on IR, and
- The implication of the reform measures on IR and society.

Questionnaire structure

Open questions will be used at the beginning. Semi-structured questions will follow to reveal (probe) interviewees' thoughts about the subject. Respondents' views will be expressed via the researcher's point of view as a participant observer. Interviewees will comprise major stakeholders (EEs and ERs) from construction and other companies (HR and technical managers, HRMLs), URs and CPAs.

Interview Questions

1. Are you employed or freelance?
2. If you are not employed, what is the nature of your main profession?
3. If you are employed, what is your company/organization (private or public)?
 - What is the nature of your company/organization's business?
 - What is your position in the company/organization?
4. In your opinion, how important is the existence of IR (institutions and collective bargaining) within Greek industry?
5. How has the crisis affected IR?
6. What measures/policies have your company followed to deal with the crisis? (Laid people off? Introduced new employment practices? Reduced salaries?)
7. In your opinion, what have been the most important measures to have affected EEs?
8. In your opinion, what have been the most important measures to have affected ERs?
9. What problems have the series of new measures caused to EEs?
10. What problems have the series of new measures caused to ERs?
11. Have the series of measures caused problems to the major stakeholders, namely EEs and ERs?
12. Have the series of measures led the economy towards high recession levels?
13. What problems have the measures caused in IR?
14. Have the series of measures changed further traditional and flexible employment practices?
15. Have the series of measures changed IR institutions?
16. Have the series of measures led to cancelled CEAs?
17. What strategies have trade unions adopted when dealing with ERs in the crisis?
18. Have the series of measures changed the balance of power between the key stakeholders?
19. Do you feel secure after these changes?
20. Do you accept these changes?
21. Who have these changes benefitted?
22. In your opinion, what will be the future of IR (forms, practices and wages) in the construction industry in Greece?

Thank you very much for the time and effort answering these questions. Your answers are valuable to the evolution of the current research. Subject to your willingness, your name will be gratefully quoted in the research documents.

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