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Employment Relationship on Hold: How Do Employees Make Sense of Their Employment Relationship While Being Furloughed?

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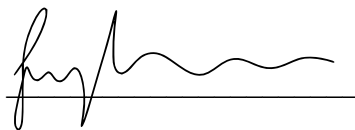
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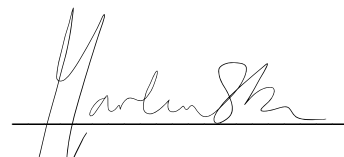
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Oslo, July 1st 2021



Jenny Solbakken



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Abstract

The use of furloughs is gaining popularity as a cutback practice, yet research is relatively scarce. Furloughs unravel an interesting dynamic in the employment relationship in that transactional obligations are put on hold, yet the employee remains persistent to employment. In light of the COVID-19 pandemic, we tap into the psychological contract to investigate how employment relationships are affected by mass furloughs in the Norwegian labor market. Building on downsizing literature, we employ a qualitative approach to explore implications for justice perceptions, organizational commitment, trust and turnover intentions in furloughed employees across three different organizations. As instances of clear contract breach were not detected, we identify triggers for breach of the psychological contract, ultimately suggesting the contract is subject to renegotiation rather than breach. Identification of coping mechanisms shed light on how employees make sense of their employment relationship and so we suggest furloughs do not necessarily interrupt predictability in the employment relationship, yet they indicate furlough procedures affect respondents' attitudes, emotions and behaviors. Future research is suggested to explore the magnitude of this notion. Lastly, we present implications for how organizations should employ strategic HR measures adapted to the uncertain context of furloughs. Specifically, organizations should more actively provide social as well as emotional support to buffer compromised LMX functions.

Table of Contents

ACKNOWLEDGEMENTS.....	I
ABSTRACT	II
1.0 INTRODUCTION.....	1
2.0 THEORETICAL BACKGROUND.....	4
2.1 EXCHANGE RELATIONSHIPS	5
2.2 ORGANIZATIONAL COMMITMENT	7
2.3 TRUST.....	8
2.4 PERCEIVED INJUSTICE	10
2.5 TURNOVER INTENTION.....	12
3.0 METHODOLOGY.....	13
3.1 RESEARCH QUESTION.....	13
3.2 RESEARCH DESIGN.....	13
3.3 SAMPLE	14
3.4 PROCEDURE.....	17
3.5 TRANSCRIPTION AND ANALYSIS.....	18
3.6 ETHICAL REFLECTIONS	19
3.7 TRUSTWORTHINESS.....	20
4.0 FINDINGS	21
4.1 IDENTIFIED EXPECTATIONS TO THE EMPLOYMENT RELATIONSHIP	21
4.2 TRIGGERS FOR BREACH.....	23
4.2.1 Exchange Relationships	25
4.2.1.1 Approachability.....	25
4.2.2 Justice Perceptions	26
4.2.2.1 Possibility to Influence.....	27
4.2.2.2 Cognitive Dissonance and Perceived Discrimination	28
4.2.3 Organizational Support	31
4.2.3.1 Practical Support	31
4.2.3.2 Social Support.....	32
4.2.3.3 Emotional Support	32
4.2.4 Trust	34
4.2.4.1 Transparency	34
4.3 COPING MECHANISMS	36
4.3.1 Justification and Sensemaking	36
4.3.2 Dissociation and Passivity.....	37
4.3.3 Engagement and Involvement in the Process.....	38

4.3.4 <i>Seeking Other Sources of Support</i>	39
4.3.5 <i>Expectation Management</i>	39
5.0 DISCUSSION	40
5.1 RENEGOTIATION OF PSYCHOLOGICAL CONTRACT TERMS	41
5.2 ORGANIZATIONAL COMMITMENT AND TURNOVER INTENTION.....	42
5.3 JUSTICE PERCEPTIONS	43
5.4 TRUST.....	45
5.5 ORGANIZATIONAL SUPPORT	46
5.6 INSTITUTIONALIZATION.....	48
6.0 LIMITATIONS	49
7.0 PRACTICAL IMPLICATIONS.....	50
8.0 CONCLUSION.....	51
9.0 SUGGESTIONS FOR FUTURE RESEARCH.....	52
REFERENCES.....	53
APPENDIX 1 – INTERVIEW GUIDE	62
APPENDIX 2 – LETTER OF CONSENT	64

1.0 Introduction

Over the past decades, employee downsizing has become a fact of organizational life as a default response to turbulent times (Datta et al., 2010). Due to the fact that a magnitude of industries has been shut down as a result of the COVID-19 pandemic, organizations have been prompted to respond with restructuring and downsizing to reduce or cease operations (Kniffin et al., 2020; Shaw et al., 2020). Freeman and Cameron (1993) address how organizational downsizing entails other concepts than solely layoffs, and define the term as “*a set of activities, undertaken on the part of the management of an organization, designed to improve organizational efficiency, productivity and/or competitiveness*” (p. 12). Hence, employee furloughs can be understood as a downsizing activity, and has gained popularity as a cutback practice in uncertain times in recent years (Huffman et al., 2021; Kvasdheim & Hansen, 2010). Furloughs are in this paper understood as a temporary leave of absence with no pay for the period of leave (Baranik et al., 2019; NAV, 2020). This practice is therefore used as a tool to save costs and avoid mass layoffs, and is implemented to mitigate harmful impacts on local economies and retain jobs (Lee & Sanders, 2013). Despite the purpose of saving jobs, furloughs can produce severe consequences for organizations in a long-term perspective as job insecurity becomes evident (Cameron, 1994). Furloughs add a freezing effect on organizations in a way that makes long-term planning challenging, and employees can be difficult to stimulate and retain (Jacobs, 2009). As temporary downsizing sends a signal of uncertainty to employees (Moore, 1985), crucial talent within the organization can potentially seek other opportunities in the job market, ultimately aggravating turnovers.

Due to the unpredictable circumstances motivating furloughs, the literature exploring the concept is relatively scarce. The lack of research on furloughs can arguably be reasoned by the linkage with economic downturns, which are challenging to predict or study in advance (Baranik et al., 2019). Hence, mass furloughs during a pandemic constitute a novel context for organizational research. As it has proven difficult to examine conclusive effects on furloughs, one can draw parallels to the downsizing literature to predict negative work outcomes at the individual as well as organizational levels. As such, furloughed employees and survivors of downsizing can be argued to share similar experiences. Skarlicki and

colleagues (1998) suggest that as third parties within the organization, survivors of downsizing learn about their organization by observing the treatment of victims, and that these observations further affect their job attitudes and behaviors (Skarlicki et al., 1998). This might include job satisfaction, financial burden, workload, career stability and employees' well-being (Lee & Sanders, 2013; Halbesleben et al., 2013). In this context, it is reasonable to treat furloughed employees both as victims and survivors, and we make the assumption that the literature on downsizing survivors can be generalized to furloughed employees' experiences. Yet, there is an important distinction between the concepts: Furloughs place employees in a limbo of being unemployed, yet still persistent to employment (Sucher & Gupta, 2018). With limited prior research devoted to engender the effects of furloughs on employees, there is a lack of specific recommendations to how implications of furloughs should be understood at the individual level. We thus argue that insights into the employee's individual experience are essential to obtain a broader understanding of furloughs in this regard.

As such, scholars encourage the examination of negative consequences caused by massive downsizing in regards to organizations' response to a pandemic (Kniffin et al., 2020). Leave without pay for an uncertain period of time can foster great burdens both financially and emotionally (Lee & Sanders, 2013). Even though Norwegian citizens are eligible for a grant to cover a portion of the average monthly salary (NAV, 2020), the lack of payment is likely to constitute a salient loss of resources in the contexts of furlough. Additionally, insecurity associated with furloughs tends to leave employees with stress, and is suggested to impact factors related to psychological well-being (i.e. time structure, social contact, collective purpose, status, and activity). These factors are found to have a greater impact on distress than even the financial difficulties associated with being furloughed (Paul et al., 2009). This ultimately suggests that employees' subjective experiences are central to understanding the impact of furloughs (Halbesleben et al., 2013).

In order to properly grasp individual experiences, it must be recognized that these are shaped by the social context in which they occur. In the context of organizational trends, McKinley and colleagues (1995) deduce how institutional theory provides a normative basis in society for how organizations should be managed, even though this has been suggested to result in suboptimal organizational outcomes. Organizations will also be influenced by other

organizations' practices, ultimately developing a set of norms relating to how to manage their workforce in uncertain times. In this context, the reason for Norwegian employers to largely resort to furloughs as a means of managing the situation might be a result of such societal norms. Awareness of this notion might ultimately affect how individuals make sense of their role and situation as a "furlougher" as well as other individual level outcomes.

In an organizational context, the individual perspective is best understood through the exchange relationship with the employer (Robinson, 1996). From the formal employment contract, both parties are aware of the terms and responsibilities expected from the relationship. Based on the company's financial situation, the contract formally enables the employer to initiate furloughs (NAV, 2020). However, despite the social initiatives put in place to ease the financial strain of furloughed employees, psychological strain is suggested to be of even bigger impact (Paul et al., 2009). This further extends to the relational level within the organization, tapping into the psychological contract that constitutes the rather implicit and unwritten sets of expectations to the employment relationship (Rousseau, 1990). The relational aspect of this contract entails development of trust, respect and loyalty over time (DelCampo, 2007). The psychological contract is thus referred to as "*an individual's belief regarding reciprocal obligations*" (Rousseau, 1990, p. 390). This belief becomes contractual when the employee feels that they owe something to their employer beyond the formal employment contract (Rousseau, 1990). This agreement further entails the expectation of a stable and positive work environment, and that the employee's efforts will result in safe employment (Van Dierendonck & Jacobs, 2012). Thus, this contract substantiates informal expectations in the employment relationship, and an experienced breach is associated with a variety of negative outcome variables (Turnley et al., 2003). As the promise of safe employment is not fulfilled, it is reasonable to assume negative implications for the perceptions of this contract, potentially leading the employee to experience a breach. Hence, through the lens of psychological contract theory, the objective of this study is to develop new insights into how furloughed employees make sense of their employment relationship.

2.0 Theoretical Background

Much research has explored the consequences of a breach of the psychological contract, which occurs when the employee perceives that the organization has failed to fulfil its “contractual obligations” (DelCampo, 2007). In the context of furloughs, this contract is arguably at risk of breach given the employee’s lesser sense of psychological stability and an uncertain future. Looking into the breach of this contract thus contributes a primary explanation for negative feelings, attitudes and behaviors associated with social exchange relationships at work (Conway & Briner, 2005). Morrison and Robinson (1997) define psychological contract breach as “*the cognition that one’s organization has failed to meet one or more obligations within one’s psychological contract in a manner commensurate with one’s contributions*” (Morrison & Robinson, 1997, p. 230). In this paper, we apply the relational aspect of the psychological contract breach, which holds socioemotional elements such as loyalty and support (Morrison and Robinson, 1997). Theory distinguishes relational psychological contracts from transactional ones in terms of how employees perceive mutual obligations and how they respond when these are not fulfilled. Where transactional elements lean towards expectations for direct and immediate compensation for the contributions, relational elements serve as an indicator for the quality of the interpersonal relationship entailed in the employment contract. Morrison and Robinson (1997) therefore pinpoint the nature of the relationship as an essential component of experienced breach as these terms of this relationship determine the likelihood of employees’ perception of unmet promises.

Notably, breach of the psychological contract has been found to negatively correlate with work performance (Bal et al., 2010), and that employees tend to regain balance in the relationship through reducing their commitment and their willingness to engage in organizational citizenship behavior when they perceive that their employer has engaged in contract breach (Coyle-Shapiro & Kessler, 2000). This sensemaking tendency is recognized as an attempt to diminish cognitive dissonance (Festinger, 1957). These implications pose a challenge for the organization as the employees return to the workplace after being furloughed.

Moreover, research has examined the link between breach and violation (Dulac et al., 2008). Where a breach represents the cognitive experience of unmet expectations from one’s organization, violation is understood as the actual

emotional response to a psychological contract breach, i.e. distress and anger (DelCampo, 2007; Morrison & Robinson, 1997). Dulac and colleagues (2008) found that violation fully mediated the effects of breach on outcome variables. This supports the subjective feeling of the breach as crucial, and is ultimately what determines the outcomes of the breach. Finally, this is consistent with the idiosyncrasy associated with the psychological contract.

2.1 Exchange Relationships

In line with the notion that social factors are emphasized as vital to the individual experience of being furloughed, research on social exchanges has been prominent in the organizational behavior literature. Blau (1964) accentuates social exchanges as a distinct concept from economic ones and suggests these play a central role for mutual trust, liking and respect. This notion constitutes the basis of what has become the most influential paradigm to understanding workplace behavior (Cropanzano & Mitchell, 2005), and is now commonly known as Social Exchange Theory. Literature ranges exchange relationships on a continuum from transactional-based relationships, mostly retrieved from the formal employment contract, to high-quality relationships concentrated on long-term reciprocity (e.g. Kuvaas et al., 2012). Social exchanges entail unspecific expectations in the employment relationship, and constitute the basis of the psychological contract in regards to the felt obligation to reciprocate (Walumbwa et al., 2011).

Bal and colleagues (2010) found that the negative relationship between psychological contract breach and work performance was moderated by social exchanges. Exchange relationships such as the psychological contract are thus useful for understanding how intra-organizational activity is influenced by relational, cognitive, and affective processes (Dulac et al., 2008). Thus, the subjective understanding of the employee's role as a furloughed is considered to be experienced differently and will resultantly exhibit a variety of outcomes. Based on the characteristics of the exchange relationship between employer and employee, the notion that the experienced psychological contract breach will be highly idiosyncratic is further supported.

Furthermore, it is found that organizations breaching this tacit psychological contract create strain on the relationship between managers and staff (De Vries &

Balazs, 1997). Much research has been dedicated to explore the impact of the nature of the relationship between the leader and the subordinate. Specifically, Leader-Member Exchange theory (LMX) has become a prominent theory complemented by instruments to measure the quality of this relation (Graen & Uhl-Bien, 1995). Most LMX theory rely on social exchanges, and represent a theoretical approach to understanding the dyadic relationship between the leader and member, which quality is determined by various antecedents (Ariani, 2012; Kuvaas et al., 2012). Thus, the quality of the relationship is anticipated to influence outcomes at multiple levels, namely individual, group and organizational (Gerstner & Day, 1997). In this paper, LMX will be applied to gain further insights into individual level consequences of furloughs.

High LMX scores, also referred to as high-quality relationships, are further found to be a solid predictor of favorable employee attitudes and behaviors, such as increased job performance (Gerstner & Day, 1997; Kuvaas et al., 2012), affective job commitment (Ariani, 2012; Meyer et al., 2002), mutual trust (Brower et al., 2000) and reduced turnover intention (Gerstner & Day, 1997). Deriving from the basis of social exchanges, it follows that psychological contract breach has been negatively associated with both commitment and trust (Coyle-Shapiro & Kessler, 2000; Robinson, 1996). Certain organizational aspects are found to mediate the quality of the relationship, such as the leaders' role in downsizing strategies (Loi et al., 2011).

The interaction between the psychological contract breach and LMX has been studied extensively. Dulac and colleagues (2008) replicate and extend prior research to study the relationship between psychological contract breach and social exchange relationships with an emphasis on work outcomes in negative situations. The authors highlight the importance of social exchange relationships, as they were found to have a mediating effect on the interaction between breach and violation. They further postulate that relational factors might serve as a positive buffer to diminish negative emotional responses to psychological contract breach. Hence, employees who perceive low-quality exchange relationships with their immediate supervisor, demonstrate stronger affective reactions to breach than do individuals with high-quality relationships. Therefore, this study draws attention to nurturing high-quality social exchanges in order to avoid declining trust and organizational commitment among employees if a violation occurs (Dulac et al., 2008).

Consequently, the results imply a direct relationship between contract breach and turnover intention as a result of an imbalanced relationship with the employer.

2.2 Organizational Commitment

Notably, the characteristics of organizational commitment closely resemble those of the psychological contract, as is consistent with research finding organizational commitment to be negatively associated with psychological contract breach (Coyle-Shapiro & Kessler, 2000; Robinson, 1996).

In a meta-analytic review, Meyer and colleagues (2002) identify different forms of commitment in the literature, namely affective, continuance and normative commitment. Their research finds affective commitment to be the most relevant predictor for behavior across literature, particularly relevant for a wide variety of work-related outcomes. The authors define affective commitment as “*an emotional attachment to, identification with, and involvement in the organization*” (Meyer et al., 2002, p. 21).

Further, it is found that high quality exchange relationships at work are characterized by mutual dependence and influence as well as commitment (Dulac et al., 2008), and a positive correlation between LMX theory and affective commitment further suggests that strong leader-member relationships foster higher organizational commitment among employees (Greguras & Ford, 2006; Uhl-Bien & Maslyn, 2003). Employees who exhibit strong organizational commitment are also more likely to stay with the organization during periods of distress such as organizational change (Elias, 2009).

As previously outlined with regard to psychological contract breach, violation was identified as the affective component of the process and was found to fully mediate the effect of contract breach on outcome variables (Dulac et al., 2008). Along with affective organizational commitment as the strongest predictive form of commitment, these findings emphasize the importance of the emotional aspects of exchange relationships as well as commitment to the organization.

Additionally, a comprehensive meta-analytic synthesis on the downsizing literature (Datta et al., 2010) provides evidence that downsizing results in reduced organizational commitment among survivors. As previously addressed, furloughed

employees are subject to first hand observations about the organization's treatment of their employees in uncertain times, and as such these findings can be argued to extend to furloughed employees as well.

2.3 Trust

In an era of uncertainty, employees are arguably more resistant to trust the employer's promise of job security (Altman & Post, 1996). Prior studies have emphasized the negative interaction between trust and psychological contract breach, as psychological contracts emerge based on trust in the employment relationship (Robinson, 1996; Robinson and Rousseau, 1994; Rosseau, 2001; Coyle-Shapiro et al., 2000). Under these circumstances, trust is defined as "*one's expectations, assumptions, or beliefs about the likelihood that another's future actions will be beneficial, favorable, or at least not detrimental to one's interests*" (Robinson, 1996, p. 3). Downsizing incentives, such as furloughs, can disrupt the employee's trust in their employer, depending on how unpredictable events are handled within the organization (Datta et al., 2010). More specifically, trust tends to be the core element of the employment relationship (Guest, 2004), and thus plays a vital role in psychological contract breach (Robinson & Rousseau, 1994).

Robinson (1996) examined the theoretical and empirical relationship between trust and psychological contract breach in a longitudinal study. The general notion from the results indicated that organizations under pressure are forced to adjust rapidly, which can alter trust in the employee relationship. Thus, this study embraces the importance of prior trust to reduce the negative effects of downsizing events (Robinson, 1996). In the cases where trust was considered to be relatively low, Robinson (1996) found a strong interaction effect with psychological contract breach. Correspondingly, employees with high prior trust are more likely to retain trust despite contract breach. Based on these findings on downsizing events, one can argue that a breach of contract in a furlough context will also adhere to a loss of confidence in the reciprocal promises centered in the relationship (Bellairs et al., 2014; Robinson, 1996)

Bellairs and colleagues (2014) further developed a multilevel model of strategic human resource implications of employee furloughs, with an implicit focus on Affective Events Theory framework. The framework postulates that work

events, e.g. implementation of furloughs, directly changes the employee's affective state. Affective state is understood here as the mood and emotions experienced by an employee (Bellairs et al., 2014), meaning furloughs can consequently produce strong employee attitudinal and behavioral reactions if psychological contract breach has led to loss of trust towards the employer. Hence, employees can question the validity of the psychological contract as their organization is not acting in accordance with their obligations, thereby diminishing trust (Bellairs et al., 2014). Reduced trust can be particularly harmful in the context of furloughs as employees are expected to return to work after a point of stability is reached. Trust can arguably be hard to retain during periods of uncertainty as it fosters negative feelings related to job security and enhances doubt to whether furloughs are well-intentioned (Robinson, 1996; Bellairs et al., 2014; van den Heuvel et al., 2017). If an employee has experienced unfulfillment of the psychological contract breach during a temporary leave, organizations can expect a need to spend time and resources to rebuild trust (Bellairs et al., 2014). As a concluding remark, Bellairs and colleagues (2014) suggest that sound commitment-based human resource policies can ultimately increase the perception of trust and make employees understand the reasoning for furloughing during challenging times.

Moreover, Spreitzer and Mishra's (2002) literature review postulates that across studies, trust in the leader was found to mediate the relationship between employer and employee in light of surviving a downsizing incentive. As previously discussed, furloughs can be compared to survivors from layoffs as employees technically retain employment and are formally attached to employment arrangement. Thus, temporary cessation from work might impact an employee's subjective perception of trustworthiness towards the management. Hence, as previously discussed, Spreitzer and Mishra (2002) found trust in management to directly relate to organizational commitment. Moreover, these findings align with Mishra and Mishra's (1994) results from downsizing effects on multiple stakeholders. Downsizing implies a negative effect on mutual trust between management and employees, which is central to the theory of LMX, where trust acts as a bridge of reciprocity in the relationship (Kuvaas et al., 2012).

2.4 Perceived Injustice

Uncertain times tend to trigger individuals' initiation of sensemaking processes (Weick, 1995). Justice plays a central role in this as humans tend to use justice information to assess their exchange relationships, in this case between organization and employee, to ultimately assess whether organizational authorities can be trusted (Van Dierendonck & Jacobs, 2012). This follows from the previously discussed breach of the psychological contract where the employer does not fulfil their obligations of ensuring job security. This breach is experienced as particularly painful when perceived to be unfair (Van Dierendonck & Jacobs, 2012). Furthermore, Van Dierendonck and Jacobs (2012) emphasize in their meta-analysis that justice plays an important role in organizational commitment.

Notably, Colquitt and colleagues (2001) conducted a meta-analytic review examining 25 years of organizational justice research. They identify a general distinction in the literature between distributive, procedural, and interactional fairness, or justice, used interchangeably in the literature. *Distributive fairness* is the individual's subjective perception of the ratio between one's contributions (inputs) and one's outputs (Adams, 1965), and entails the employee's perceptions of how fair work outcomes such as pay or benefits are allocated (Greenberg, 1990). Further, *procedural fairness* broadly refers to the well-established importance individuals put on perceiving the decision processes used to determine outcomes as fair (Leventhal, 1980; Colquitt et al., 2001), referring to employees' expectations of their organization to use fair processes when allocating said work outcomes (Greenberg, 1990). Elaborating on procedural fairness, Leventhal and colleagues (1980) developed six criteria to be met in order for a procedure to be perceived as fair. Procedures should "(a) be applied consistently across people and across time, (b) be free from bias (e.g., ensuring that a third party has no vested interest in a particular settlement), (c) ensure that accurate information is collected and used in making decisions, (d) have some mechanism to correct flawed or inaccurate decisions, (e) conform to personal or prevailing standards of ethics or morality, and (f) ensure that the opinions of various groups affected by the decision have been taken into account" (Colquitt et al., 2001, p. 426). Within these criteria lie an assumption of transparent communication, further specified to constitute *interactional fairness*.

Whereas distributive and procedural justice can be categorized as system-based organizational justice, interactional justice refers to the desire for proprietary behavior of the decision maker's behavior during the enactment of the procedure (Bies & Shapiro, 1987). It has been argued that interactional justice is an extension of procedural justice, referring to the interpersonal treatment and communication from management to employees (Spreitzer & Mishra, 2002). Cropanzano and colleagues' (2002) findings further shed light on how interactional justice relates to system-based procedural justice, proposing these justice concepts be distinguished through social exchange theory. They suggest procedural justice applies to the exchange between the individual and employing organization, whereas interactional justice generally refers to the exchange between the individual and their supervisor (Cropanzano et al., 2002). For instance, research has shown that offering explanations for unpopular decisions reduces negative reactions and makes employees perceive the decisions as fairer (Bies, 1987). Verbal strategies associated with interactional fairness are even found to work as a buffer in events of downsizing and increasing organizational commitment among survivors (Spreitzer & Mishra, 2002). The significance of interactional justice is further consistent with the premises of psychological contracts: As outlined by Rousseau (1995), the relational elements of the psychological contract include the expectation that the organization will treat employees with dignity and respect in return for their attachment to the organization.

In a meta-analysis, Van Dierendonck and Jacobs (2012) found that among survivors, procedural justice was more important than distributive justice. Moreover, they found that if the downsizing operation was carried out for profit reasons, the sensitivity to justice was stronger than when the primary reason was economic necessity. Hence, employees felt more attached to the organization if cutbacks were forced as a result of unforeseen circumstances (Brockner & Greenberg, 1990). Spreitzer and Mishra (2002) also reported that positive perceptions of procedural and distributive justice during downsizing processes enhanced the long-term commitment of survivors, and reduced their turnover intentions. Drawing from this and from the previous notion on similarities between downsizing survivors and furloughed employees returning to the workplace, it seems that procedural justice has the greatest potential as a predictor of behavior among furloughed employees. The organization's motivation for furloughing

employees might then also have implications for the employees' sensitivity to justice and thus their overall experience with the process.

2.5 Turnover Intention

As previously mentioned, Dulac and colleagues (2008) found psychological contract breach to be positively associated with turnover intention, whereas LMX was negatively associated with turnover intention. The significant relationship between LMX and turnover intention is supported by a meta-analysis conducted by Gerstner and Day (1997). Hence, results indicated contract breach to partially mediate the effect on high-quality social exchange relationships on turnover (Dulac et al., 2008). This can potentially be explained by a change in emotional response when a breach occurs, which further influences employees' intention to leave.

Prior research indicates that downsizing increases the voluntary intention to quit. Moreover, Spreitzer and Mishra (2002) find voluntary turnover to relate to the previously discussed perception of justice, which in downsizing contexts can enhance dissatisfaction and ultimately increase the desire to withdraw from the organization (Spreitzer & Mishra, 2002). Distributive and procedural justice, along with trust in management, predict organizational commitment, which in turn predicts turnover intention within a year after the downsizing (Spreitzer & Mishra, 2002). However, when employees sense a strong commitment to the organization, Mathieu and Zajac's (1990) meta-analytic study posits a positive attitude to stay with the employer in the role as a survivor of downsizing activities.

Bellairs and colleagues (2014) discuss how turnover intention in the context of furloughs may result from employees reconsidering their current job, and take action to seek other employment opportunities as they experience a sense of job insecurity. Organizations risk losing high performing employees when furloughing in the lens of psychological contract breach, as opposed to selectively laying off low performing employees. In order to avoid negative behavioral outcomes such as increased turnover intention, Bellairs and colleagues' (2014) multilevel model gives basis to investing in commitment-based HR practices in a way that creates a foundation to tackle sudden crises efficiently (Bellairs et al., 2014).

3.0 Methodology

3.1 Research Question

This study aims to explore how furloughed employees experience the relationship with their employer during an extended period of uncertainty. An essential part of the research is to investigate the role of a potential psychological contract breach in this context. Based on literature on downsizing and psychological contract breach, a variety of outcome variables are discussed. Hence, we are curious to explore how this may impact the employees' perceptions of trust, justice, commitment, and turnover intention. We theorize the associations between these concepts can be extended to furloughed employees. Limited research has been conducted in this regard previously, and so the uncertain circumstances unraveled by a pandemic presents a unique opportunity to gain new insights into this area. A novel context and the examination of a highly idiosyncratic experience call for an explorative approach to best grasp subjective perceptions and predictions of the future employment relationship. Thus, understanding the impact of furloughs on exchange relationships within the organization proves as a useful starting point for obtaining insights about these processes in a larger organizational context. Hopefully, this contribution will prove as a helpful basis for future research in developing comprehensive organizational practices for the employment of furloughs. This can better facilitate furloughed employees' experience of returning to work, ultimately buffering negative organizational outcomes when returning to normal in the aftermath of challenging times. To explore the underlying exchange relationships, we investigate the following research question:

How do employees make sense of their employment relationship while being furloughed?

3.2 Research Design

Seeing as downsizing is a complex phenomenon, Datta and colleagues (2010) suggest that both quantitative as well as qualitative methods should be employed to obtain a deeper understanding. Given the idiosyncratic nature characterizing employment relationships, a qualitative approach will arguably yield valuable insights in this novel context. According to Pratt (2009), qualitative research is

helpful for understanding the world from the perspective of those studied and for examining and articulating processes (Willig, 2013), and will hence be useful for investigating this research question.

The goal of qualitative research is to feed the findings back to the already existing relevant theory (Bryman & Bell, 2011). Hence, theory and categorization emerge from the analysis of the data collected in the research. The experience of being furloughed is highly subjective, calling for an exploratory research methodology in relation to how furloughed employees experience this uncertain situation (Kniffin et al., 2020). Dulac and colleagues (2008) emphasize the idiosyncronicity of social exchange relationships and consequently the importance of understanding how employees make sense of these relationships and respond differently to psychological contract breach (Dulac et al., 2008). Specifically, the authors suggest future research see these experiences in light of contextual factors. This paper will look into experiences of employment relationships in the context of mass furloughs.

3.3 Sample

Consistent with the research question, we have recruited employees affected by the furloughs following the COVID-19 pandemic as our primary source of information. We were interested in seeing how furlough practices differ across organizations and thus how furloughed employees experience outcomes of the companies' responses to the pandemic. In this section we will justify the reasoning behind our sampling method procedure with respect to the ought for transparency within qualitative research designs (Bryman & Bell, 2011).

A total of 9 respondents were requested and selected for interviewing. In regards to recruitment of research participants, non-probability sampling was applied to access informants effectively (Noy, 2008). Hence, we used a *purposive sampling method* on the basis of participants' ability to contribute with useful insights to the needs of this study (Coyne, 1997). The main goal of an intentional selection of candidates was to ensure that a relevant sample served as a foundation to understand furloughs as a social phenomenon (Bryman & Bell, 2011). The respondents can be characterized as a homogenous sample in regards to their current or previous status as furloughed during the past 12 months (Etikan et al., 2016).

Within our sample there was a great variation in terms of the length of respondents' temporary absence from work, ranging from one month to over a year. Additionally, we wanted to foster a certain variation in the sample by recruiting respondents that represented different demographic characteristics such as age and gender (female = 4 respondents, male = 5 respondents). Demographic characteristics are presented in Table 1 (p. 16). The respondents' age ranged from 26 to 49 years, an age group in the total labor force that statistically is regarded as most impacted by the economic downturns the pandemic has brought on (Køber & Lien, 2020). This recruitment practice is justifiable in terms of the choice of qualitative methodology, as a random sample was neither feasible nor comprehensive in this context. Thus, the recruitment process of informants started with a small sample of furloughed employees, and the sampling cluster was later enriched with new participants based on avenues of contacts.

The strategic sampling method led to an inclusion of recognizable cases in industries where a significant proportion of employees has been furloughed. In order to identify employees that are assumed to be affected to a large extent, only employees that have the affected workplace as their main source of income were included in the sample. Five of the respondents were associated with the airline industry, which has been one of the most heavily affected areas due to the immense impact COVID-19 has brought on the travel industry. As of October 2020, all areas within the industry, including personnel, operations, supply chain and revenue are found to be severely affected (Statista, 2020). Hence, subjects within this field constituted a solid foundation for investigating our research question. Employees from two different organizations with connections to the airline industry were recruited. Our sample constitutes two respondents from a Retail organization (female = 1, male = 1) and three respondents from an Airline organization (female = 2, male = 1). This group of furloughed employees had at the time of interviewing been furloughed for approximately 12 months.

Initially, we wanted to solely target the private sector as there is a tendency of lower job security compared to the stability associated with the public sector (Greenhalgh & Rosenblatt, 2010). Yet, we found reasons to include a group of employees from the public sector as well, namely from a state-funded culture organization. The Culture institution was represented by four respondents (female = 1, male = 3), whom had previously been furloughed for a period of 1-2 months.

Initially, doubts were raised about the relevance of the Culture organization we explored as they were only furloughed for a limited amount of time before they were back on the payroll. However, we concluded that their situation still constituted a temporarily unclarified employment relationship, and so their experiences proved to be insightful for the purpose of investigation. The decision of targeting the particular cultural institution is based on an interest in employees’ holistic view of whether the cutback practice was reasonable. We intentionally wanted to contrast and compare furlough procedures in the public cultural institution with the two private organizations that represented the travel industry. All of the three organizations can be described as large with comparable sizes of <500 employees and layered top-down structures.

We initially approached the food service industry as one of the most heavily affected industries amid the pandemic. However, it became evident that this industry is characterized by few full-time permanent employment contracts, and that these employees often hold leadership responsibilities. These acknowledgements ultimately excluded this industry from our sample as their situation would not have yielded the profound insight into the experiences of furlougees we sought.

<i>Respondent</i>	<i>Age</i>	<i>Gender</i>	<i>Tenure</i>	<i>Furlough Tenure</i>
Airline 1	28	Female	5 years	12 months +
Airline 2	27	Male	4 years	13 months +
Airline 3	26	Female	5 years	12 years +
Retail 1	37	Male	10 years	13 months*
Retail 2	36	Female	11 years	12 months*
Culture 1	49	Male	14 months	1 month
Culture 2	30	Male	5 years	1 month
Culture 3	28	Female	2 years	2 months**
Culture 4	38	Male	12 years	2 months**

Table 1: Sample demographics.

+ the respondent is still furloughed at the time of the interview

* the respondent has returned to work once

** the respondent is no longer formally furloughed, but does works minimally

3.4 Procedure

The data collection was performed by the use of qualitative interviews as this method yields comprehensive data in a rich manner. This seems appropriate as our aim is to address personal experiences. More specifically, the interviews took a semi-structured form, as this type of interview includes a sequence of themes, allowing us to explore areas of interest suggested by our theoretical framework. Moreover, it further allows flexibility in the sense that the respondent is allowed to share freely, ultimately enabling a deeper understanding. During the interviews we followed the set of questions informed by the interview guide in order to enable structure (see Appendix 1, p. 62). The questions associated with the respective topics of interest were based upon verified measures developed for quantitative purposes. We scheduled extra time for follow-up questions and probing questions to adapt to the context of the interview. After a brief introduction of the study, the respondents were asked to disclose information on a couple of demographic variables as well as their tenure and position within the company. We also asked about the length of the furlough. Further, respondents were asked to freely describe the furlough process to get an impression of its current state and nature. This introduction phase of the interviews mainly focused on making respondents feel comfortable and relaxed. We then explored the topics of communication, justice, exchange relationships, commitment, trust and turnover intentions before we finished off with exploring their thoughts about returning to work.

The interviews with the respondents were conducted only once, and had a duration ranging from 60 to 70 minutes. Before the interviews with the respondents, three pilot interviews were conducted. Due to infection control measures amid the pandemic, face-to-face interviews were not possible. The interviews were conducted and recorded through the digital communications platform Zoom. Although research suggests non-verbal information cannot be conveyed in the same manner through digital platforms (Bryman & Bell, 2011), we found that Zoom was a satisfactory replacement to our initial desire to conduct interviews in-person. Brief technical guidance was also given to respondents unfamiliar with the platform in order for them to feel comfortable with the tool. As researchers, using synchronous video allowed us to ensure a trustworthy interaction with respondents who shared sensitive personal experiences (Bryman & Bell, 2011). Additionally, video-

interviewing was useful to understand the respondents' full experience by observing their immediate reactions.

All of the interviews were conducted in Norwegian to possess fluency in the interviews. As for the orchestration, we allowed one interviewer to guide the conversation whereas the other took the role as observer, ensuring clarifications if necessary. This matter of triangulation aims to increase research quality (Bryman & Bell, 2011). General reflections were discussed and summarized after each interview.

3.5 Transcription and Analysis

As a first step of the analysis, transcription of the interviews was done as soon as possible after the interviews were conducted, and served as a useful first step to get familiar with the data. As part of the analysis, the interviews were first subject to initial thoughts and reflections to grasp an overall essence of the material.

Thematic analysis was then employed in order to more systematically recognize and organize patterns in content and meaning in the data (Willig, 2013). The recognition of thematic analysis as a research method in its own right has been debated in the literature over the past decades (Braun & Clarke, 2006; Willig, 2013). As there are no clear rules as to what constitutes a theme, it falls on the researcher to decide exactly what the themes identified in the analysis represent (Willig, 2013). It is further a flexible method in terms of epistemological standpoint, referred to as theoretical freedom (Braun & Clarke, 2006). However, thematic analysis is particularly well suited for certain types of research questions, such as people's conceptualizations about social phenomena (Willig, 2013), and is thus frequently used in organizational psychology research (Bryman & Bell, 2011). It therefore serves as useful for exploring our research question that is primarily embedded in social constructivism.

In the initial coding process, themes that represent a specific pattern of meaning found in the data, and that captures something important in relation to the research question (Braun & Clarke, 2006), were identified. For this purpose, the analytics tool NVivo proved helpful to analyze the qualitative data and organize codes in a structured manner. As our interview guide (and the theoretical framework upon which this is based) informed some predefined themes of interest, a deductive

approach to the analysis was employed. The content subject to analysis was first ordered into overarching categories before it was more carefully interpreted and assigned more appropriate codes emerging from the data. NVivo allowed us to review the content analysis and gain overview by displaying coding stripes. As the goal is to ultimately develop a thorough understanding of the data, a flexible coding approach proved helpful in this regard.

3.6 Ethical Reflections

Ethical reflections are carefully addressed in every stage of the research process. In the role as researchers, we have intentionally sought to follow ethical principles for qualitative methodology. First and foremost, the General Data Protection Regulation (GDPR) has served as a basis for data collection (European Commission, 2018). Recorded interviews were only kept as long as necessary for the purpose of the study, and were protected in a private archive folder. The interviews were deleted immediately after transcription.

It is the duty of the researcher to protect the privacy, dignity, well-being and freedom of research participants (Bryman & Bell, 2011). In order to account for this, we have obtained informed consent from all respondents, enabling them to make an informed decision about whether or not they wish to participate in the study. The consent form (Appendix 2, p. 64) was developed by the standards of the Norwegian Center for Research Data (NSD), and discloses information about the purpose and nature of the research as well as the participant's right to withdraw, their right to insights into the data we store concerning them, permission to record the interviews and permission to share the results. The informed consent form further ensures confidentiality, implying that no information with the potential to reveal their identity is used in the final project. The participants were informed that raw data obtained in the interviews will only be accessible to the researchers and supervisor of the project. The consent form further includes relevant points of contact for potential questions and concerns, hereunder the researchers and supervisor, NSD and the research institution's GDPR contact. Finally, participants were offered a debrief at the conclusion of the project.

3.7 Trustworthiness

The evaluation of the study follows Guba and Lincoln's (1994) criteria for establishing trustworthiness in qualitative research methodology. In terms of internal validity, they suggest *credibility* is a more appropriate term for evaluating qualitative research. To account for the credibility of our interpretations of the respondents' accounts, we employed an active listening technique during the interviews, repeating and summarizing the respondents' statements to make sure we understood them. However, as the interviews were conducted in Norwegian, the quotes used to illustrate their experiences have been translated to English. During this process, there is potential for losing some of its accuracy. Like most qualitative research, the small sample size will inevitably limit the *transferability* to a broader population as well as across contexts, commonly referred to as external validity. However, Guba and Lincoln (1994) argue that so-called thick descriptions provide others with the possibility to make judgments about the transferability into other contexts and other samples (Guba & Lincoln, 1994). As the aim of this study is to generate thorough insights into the experiences of furloughed employees, the respondents have yielded rich accounts that qualify as such thick descriptions. The study is conducted in a novel situation, namely furloughs during a pandemic. Hence, the research findings' *dependability* does not ensure a replicable nor consistent context for future research, inhibiting what is commonly referred to as the reliability of the findings. In terms of objectivity, or *confirmability* as suggested by Guba and Lincoln (1994), researchers' biases are intentionally kept at a minimum. Thus, the use of semi-structured interviews allows room for more open interaction outside of the formalized list of questions retrieved from the interview guide. In the role as researchers, we sought a neutral presence to avoid that our own interests and motivations affected the respondents' opinions and reflections while being interviewed. In addition to trustworthiness, Guba and Lincoln (1994) ultimately address *authenticity*, concerning ethics associated with the wider political impact of the study. This aspect however is arguably not of particular interest in the context of this study.

4.0 Findings

The data collection sought to explore how the employment relationship is experienced by employees from three different industries under a period of furloughs. First of all, underlying expectations to the employment relationship are highlighted to determine the foundation for the respondents' respective psychological contracts. Secondly, general themes informed by the theoretical framework are identified, structured and presented. Throughout the thematic analysis, we also found that coping mechanisms were essential to grasp the full experience of being furloughed. Although there were similarities in how the respondents coped during a time of change and uncertainty, they also carried out different cognitive and behavioral responses. In order to present findings gained through the interviews, this section will be structured as follows: **(1)** General expectations to the employment relationship **(2)** Triggers for psychological contract breach in the process of furloughs **(3)** Coping mechanisms executed by employees while being furloughed.

4.1 Identified Expectations to the Employment Relationship

In order to deductively grasp respondents' perspectives, general expectations to the employment relationship are identified. In this section, we will present findings in line with the definition of a psychological contract (Rousseau, 1990), as the data analysis revealed several subjective interpretations of reciprocal obligations respondents expected from their employer. As the nature of the respondents' work have differing prerequisites based upon profession and employment organization, findings will be structured as such.

Informed by the interviews with Retail respondents, high-quality communication practices are an expectation to the employment relationship. One Retail respondent believes communication is particularly important in large corporations. They expect that the upper management takes responsibility to enhance a smooth flow of information throughout the organization. It is further expected that the communication process is clear, consistent and effective. The upper management should therefore interact in a genuine manner and be truthful to employees. Retail respondents expect to be kept in the loop, which involves openness about business

operations and potential outcomes, both positives and negatives. They express that their employer has exceeded their expectations for high-quality communication during the period of furloughs, and further say that they perceive a positive change in that a more direct communication style has emerged. The respondents inform that the flow of information in the Retail organization has been executed through weekly Zoom meetings presented by the CEO.

“My employer has communicated well, and made an effort to keep us informed while being furloughed. This is actually beyond my initial expectations. It has made me think more positively of my organization” (Retail 2)

They further value facilitation of a healthy working environment. It is their belief that the organization should actively provide resources that encourage individual well-being and high-quality social interactions. Thus, the organization is expected to execute initiatives that continuously improve the working environment. Lastly, one Retail respondent mentions that salary is an expected obligation. This expectation has a more transactional character.

Among the Airline respondents, safety and facilitation for a good working environment are among the identified expectations. One respondent emphasizes transactional features such as benefits, pay and safe working conditions, and to be kept in the loop on all relevant information and other matters relevant to their tasks. Despite the respondent being generally satisfied with the formal manner in which the communication with their employer unfolds, personal communication still persists as a valuable characteristic in the relationship with the organization that could have further buffered their turnover intentions:

“I think they fulfil my expectations. But I wish they had a more personal relationship with their employees. Even though I know they appreciate me, I just feel like a number in the end. Even if they lose me, they can just find a new one. And that is a sad thought when you feel like you’re a very good employee. I think this kind of personal communication could’ve prevented me from applying for other jobs. If I had this kind of relationship I would’ve felt more safe and secure. Now I’m just very insecure (...). You can’t just call them and talk to your leader here compared to a smaller organization. I don’t think they would’ve cared whether I quit here, we’re so many people” (Airline, 1)

When evaluating expectations in the Culture segment, communication seems to be a key factor. Due to the hierarchical structure of the organization, respondents report that communication is particularly important to minimize gaps between various departments. They expect that the employer will ensure a smooth interaction between these departments in order for the entire organization to thrive. This also implies expectations in terms of facilitation and support for a common platform enabling employees to contribute to their shared goals of high artistic performance. Thus, they expect to leverage their individual professionalism at work and that their organization is able to contribute to developing their skills and knowledge. Some respondents say their organization has not been able to fulfill these expectations during the years of employment, and experience the current furlough procedures as a confirmation of an already existing problem. They expect their commitment to the organization to be respected, but rather report several occurrences where this expectation has not been fulfilled, both before and during furloughs.

“I expect things to get better, that my employer is eager to learn from their mistakes (...). Unfortunately, the past years don't reflect my expectations. I constantly feel let down as they don't follow through” (Culture, 4)

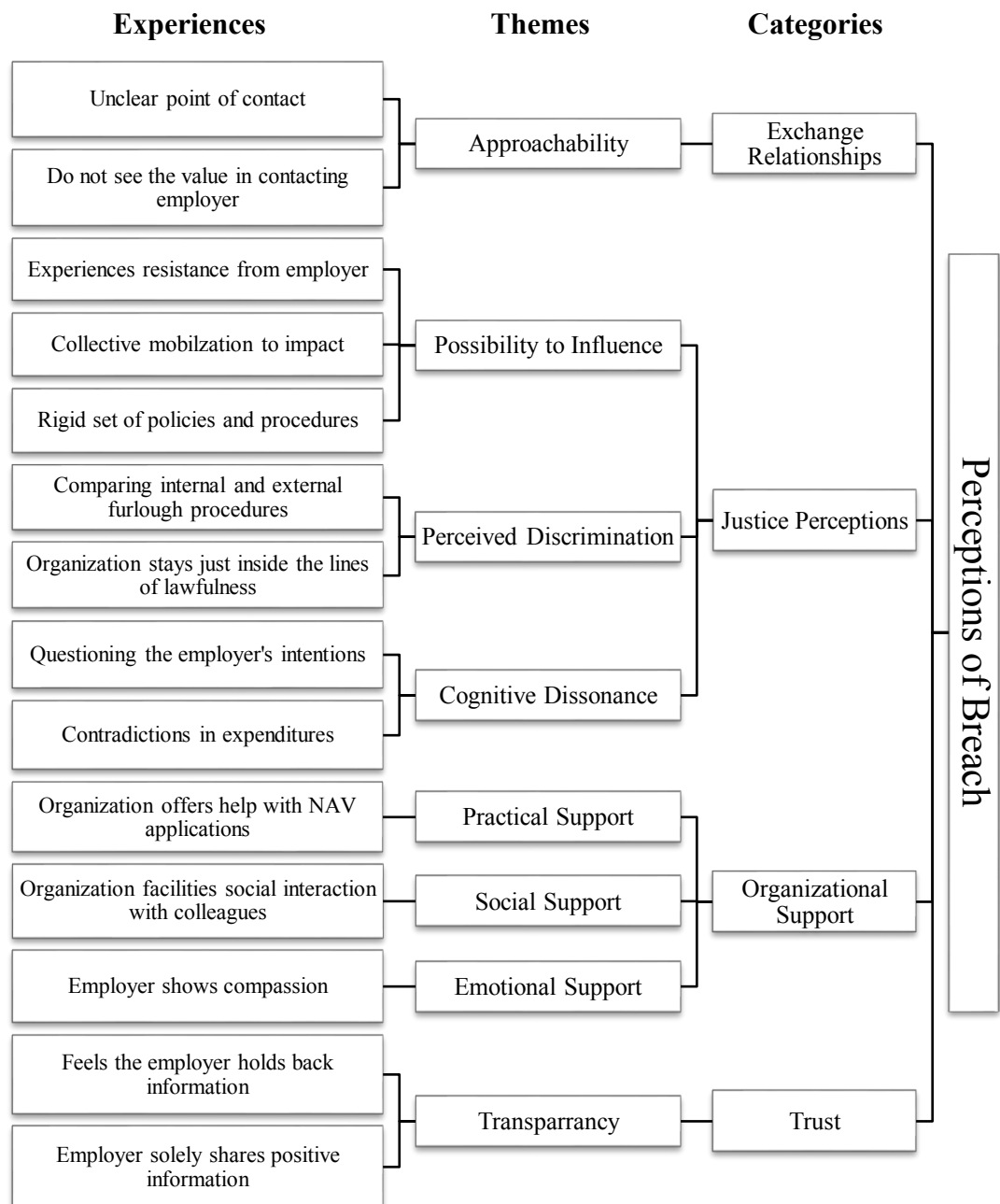
With reference to previous problems in the organization, expectations further entail safe working conditions. One respondent emphasizes the expectation of protection from health risks, and to be taken seriously when such matters are addressed. They further value safety as well as facilitation for physical and psychological well-being in the workplace.

Conclusively, expectations to the employment relationship are seen to vary across respondents, and in turn predict different fundamentals for their respective psychological contract. Overall, respondents seem to have high expectations to the organization's disclosure of information about the process.

4.2 Triggers for Breach

To investigate how the employment relationship is affected by furloughs, triggers for breach are identified and presented. Informed by the data analysis, several

themes related to a perception of a psychological contract breach arose (see Model 1). It should be mentioned that these themes are not identified on the premise that a psychological contract breach is evident in the various employment relationships. The term “triggers for breach” is rather used to conceptualize possible shortcomings respondents experience while being furloughed. In the following, the respective triggers will be presented with association to their corresponding theoretical concepts, namely Exchange Relationships, Justice Perceptions, Organizational Support and Trust.



Model 1: Visual presentation of identified triggers for breach.

4.2.1 Exchange Relationships

In terms of exchange relationships, respondents tend to emphasize the exchanges with their employer (i.e. the organization or upper level management) rather than their immediate leader. Contrary to previous expectations, LMX factors are thus not identified as a relevant theme in our data. Whether the organization is perceived as approachable is identified as the clearest indicator for exchange relationships in this regard.

4.2.1.1 Approachability

Informed by the data in our analysis, the subjects reported the approachability of the organization as an important theme for their respective employment relationships. In this context, approachability manifests itself as the extent to which the subjects feel comfortable reaching out to relevant stakeholders in the organization. There seems to be an association between the nature of communication flow within the organization and experienced approachability. Respondents retrieved from the retail segment generally perceive their employer as approachable:

“In the weekly meetings, they are very open to questions. If they don’t know the answers to your questions right away, they will reach out to you later” (Retail, 2)

The Retail organization organizes weekly digital meetings, in which the respondents feel comfortable asking questions. They have different contact points within the organization based on their needs, and do not express confusion in regards to who to contact while being furloughed. One respondent reports that although the meetings are not necessarily relevant at all times, they value the appearance and availability of the top management:

“I like these meetings. In 80% of the cases I feel that it is not super informative or important to me, but just to see the CEO is a good thing” (Retail, 1)

The respondents retrieved from the Airline segment generally experience encouragement to reach out to the organization. One of the respondents reported

that the employer had reached out by phone. However, they report that they do not know exactly who to contact and do not ultimately see the value of doing so:

“If I had felt the need to send an email, I feel that I could have. I think my employer would have replied quickly. Yet, I feel that everyone would have gotten the same reply, so I don’t really see the point in doing that...” (Airline, 1)

They seem to be satisfied with the practical information they are provided with, and rather seek other sources for support. Generally, it seems that colleagues are used for social support, whereas labor unions are approached with additional practical concerns.

“We’ve had the opportunity to ask questions. We have had many private groups or forums where we have been able to express ourselves as we please. An example of this is the private Facebook groups we’ve had, where we have asked questions and voiced our opinions about being furloughed. Here, everyone can join in on the discussion, or representatives from the labor union can address our questions.” (Airline, 2)

Reaching out to other sources for information also seems to resonate with respondents from the Culture segment, and colleagues pose as important sources of communication as the organization is not perceived as approachable:

“It doesn’t feel natural to reply to these emails. When we were first furloughed we received a bunch of emails. But the phrasing did not encourage dialogue. I could’ve tried to send an email directly to the management, but we’re not really supposed to do that” (Culture, 2)

4.2.2 Justice Perceptions

This section will present findings that align with theoretical concepts related to justice perceptions. Concerns related to justice are identified as the most frequently reported across organizations. The respondents’ experiences can be categorized into three main themes; *Possibility to Influence*, *Perceived Discrimination* and *Cognitive Dissonance*. The two latter themes are presented jointly as perceived discrimination seems to emerge from cognitive dissonance.

4.2.2.1 Possibility to Influence

As an extension of justice perceptions, the concept of procedural justice denotes several criteria in order for a procedure to be perceived as fair (Leventhal et al., 1980), one of which is ensuring that the opinions of various groups affected by the decision have been taken into account. Along these lines, the respondents' ability to influence organizational decisions was identified as a common theme in the data analysis. As the organizations subject to analysis are characterized by a hierarchical structure, most respondents do not expect to be able to influence top-level decisions to a great extent. Due to this, it is not a prerequisite for the respondents to be involved in or allowed to take responsibility in organizational decision-making.

Respondents representing Airline and Retail generally see the organization as approachable and are comfortable asking questions, yet they do not feel it would be natural to influence outcomes of the process due to the rules and restrictions determined by the hierarchy. The centralization of the power structure in these specific organizations is a repetitive topic in our data, of which the respondents are generally aware. Rather these rigid sets of furlough policies are communicated as an advantage through the lens of our respondents, mainly because they enhance clarity and accuracy in procedures. Hence, the Airline and Retail respondents do not report lack of influential behavior as means towards perceptual breach of the psychological contract with their employer.

“Well, I can't influence anything, nothing really. I don't think it would've helped. I can't change what is already stated in the rules” (Airline, 3)

The Culture respondents however have more actively initiated suggestions to create work for themselves, particularly through digital solutions. They are passionate about their work and express strong emotions related to the resistance they feel from the organization to go through with such solutions. One respondent notes that the employees suggest plenty of realistic initiatives, but that it halts somewhere in the system. The respondent attributes this to a bureaucratic structure and poor flow of communication between the levels of the organization. They further informed that a collective mobilization initiated by employees is necessary in order for their needs

and desires to be taken into account. During the furloughs, the Culture respondents report active resistance from the organization.

“I do not feel like I had the opportunity to voice my opinions. If I ever did, it is like I am faced with a wall. But it doesn’t stop me from trying” (Culture, 2)

Another Culture respondent says that they, together with colleagues, have been proactive in an attempt to make the best out of a difficult situation, and therefore took a private initiative to arrange a streaming service for their audience. This was negatively received by the management as such projects do not meet the quality standard of the organization’s services.

“I was really frustrated when my colleagues and I were bluntly rejected in an attempt to make alternative suggestions to avoid furloughs and create new tasks despite the circumstances. They told us they couldn’t take our suggestions into consideration right now. But who were supposed to do so, if not the managers? This was a huge let-down (...). I really feel that I’ve had no power here. This perhaps is where I feel betrayed the most. No matter whether you’re engaged in the artistic committee or just hold a regular position, you have no power to influence anything” (Culture, 3)

These respondents believe that their lack of power to influence is an underlying issue of a skewed employment relationship. Despite their passion to engage in the cultural institution and act in their best interest, they question whether one has the ability to impact in the role as a “regular employee”. A Culture respondent says that a conflict prior to the furloughs had confirmed this viewpoint. The respondent portrays a vigorous personal engagement to solve this conflict as it affected the safety and well-being of employees, yet experienced that the organization was not interested to even evaluate their opinions. Their experience of the organization’s previous poorly managed conflict has led them to adjust their expectations for future events of a similar character.

4.2.2.2 Cognitive Dissonance and Perceived Discrimination

As suggested by Dulac and colleagues (2008), justice perceptions constitute a central part of how humans make sense of their employment relationship, and

inconsistent perceptions of procedures are seen to emerge in the form of cognitive dissonance among the respondents. Whereas respondents in all segments report lawfully sound furlough processes formally speaking, some respondents share reflections on cognitively as well as emotionally incoherent justice perceptions.

One of the respondents from the Culture segment says the HR department knows the rules very well, yet experiences that they are making an effort to stay just inside the lines of lawfulness. Respondents from the travel industry perceive that their employer is familiar with the rules and procedures and do a good job in accommodating workers' rights. None of these respondents feel unjustly treated, and justify the employer's decision to employ furloughs. They express an understanding and further explain that the planes are visibly grounded, and so they do not see any readily available alternatives their organization can initiate to keep them on the payroll. One Culture respondent expresses a similar perspective. These respondents thus perceive the furloughs as just.

Within the Culture segment however, all four respondents report confusion regarding the initiation of furloughs. Several respondents within the Culture segment explain that the decision to employ furlough is "pointless", as the organization is funded by the government which will nevertheless take the cost of the furloughs. Thus, the respondents express a skepticism towards their employer's motivation for furloughing employees, and question whether there is an ulterior motive:

"Their last year resulted in a surplus, so they saved a lot of money because of the furloughs and the inactivity that followed. I think it's very weird - every year we receive a small token of appreciation for Christmas, like free tickets or something. But this year we've all received massive gift baskets for both Christmas and Easter. It's nice because we're just sitting at home, but still it feels off to spend money on something like that when we have been furloughed, that doesn't make any sense. It's silly. Most of us share this view. They could've just not employed the furloughs. I would trust more in a management that didn't "kick us in the ass only to give us candy afterwards"" (Culture, 4)

As suggested by Van Dierendonck and Jacobs (2012), employees tend to be more sensitive to fairness when downsizing activities are carried out for profit reasons rather than being an economic necessity. The Culture respondents are under the impression that their employer induces furloughs to take advantage of an opportunity to save costs. This is informed by a previous demand to cut costs before the furloughs were initiated.

“We know they could’ve done things to keep us employed, we see how similar places do that. So I believe there must be an economic incentive here” (Culture, 3)

Another Culture respondent says the decision to employ furloughs was made despite recommendations from the labor union, creating frustration among the employees. As this organization is publicly funded in the first place, the respondents report further confusion in terms of economy.

The extent to which respondents feel discriminated on the basis of how their organization handled furlough procedures seems to be a recurring issue. The respondents make comparisons to evaluate the quality of the furlough practice. One respondent is particularly frustrated with how furloughs are practiced differently both internally and externally, and voices an experience of perceived discrimination. The external component of perceived discrimination is embedded in comparisons with similar organizations, both on a national and international basis. The respondent conveys an impression of poor treatment in contrast to comparable organizations.

“It was a great frustration for me when all the other comparable organizations tried to do something with digital adjustments. We felt that others perceived us as lazy for not doing anything, and our organization’s reputation suffered from this. This became particularly clear when other departments within my organization also started doing things. Then I thought “is there any communication within this organization at all?”(...). We could have joined their project. This was very frustrating. And of course, when you are passionate about something you become even more frustrated because you know how it could have worked out so well” (Culture, 3)

Moreover, Culture respondents question why their employer has treated departments differently. Frustration among one of the respondents is triggered as other line managers have greater power to influence than theirs, and thus feel excluded as needs and desires are ignored by top-level management. They believe the reason for this to be the lack of a proactive leader who speaks up on their behalf. Moreover, two of the respondents question why their organization does not encourage collaboration between various departments to enhance work, but instead treat each of them distinctly. Some thus feel that other groups within the organization are prioritized, and that they are ultimately discriminated against. An increased frustration among committed members of the organization is also reflected in these observations.

4.2.3 Organizational Support

Organizational support proved to be a central theme in the data analysis. A majority of the respondents have been offered some kind of support from their organization, be it *practical*, *social* or *emotional*.

4.2.3.1 Practical Support

Evidently, the support tends to have a practical orientation in the sense that their employer provides assistance in processing applications and necessary documentation to the Norwegian Labor and Welfare Administration (NAV). It is the HR-department in the Retail and Airline organizations that has had the responsibility for such practical support in the initial phases of the furlough procedure. The Culture respondents report that their labor union handled these matters, in addition to a more passive support from their organization in terms of information sharing through an intranet. All of the respondents seem to be satisfied with this initiative as the organization has assisted employees in document applications in order for them to receive unemployment benefits. Two respondents from Culture and Airline mention there is room for improvement in terms of follow-up support.

“My employer helped me to find correct application forms, and to fill in the necessary information to receive public unemployment benefits. I’m satisfied with the help I have received, even though I’ve taken care of a lot myself too” (Retail, 2)

4.2.3.2 Social Support

The data analysis further identifies social support as an important theme for understanding the experience of being furloughed. Several respondents have been offered some kind of social support initiatives. One of the respondents from the Airline segment says their employer has a collaboration with a charity organization, giving employees the opportunity to work voluntarily while being furloughed. None of the respondents took advantage of this offer. Both of the Retail respondents told their employer had organized quizzes and weekly walks with colleagues to encourage social interaction. They perceive this as a great initiative to maintain a healthy working environment and personal well-being. One of the Retail respondents participated in some of these walks, but both of them stated they did not find it as personally relevant as they usually socialize with their families. The Retail and Culture organizations have offered the employees workout classes. However, it is pointed out that except for the workout session and the occasional email, the Culture segment has received no further encouragement from the organization to engage in social activities.

4.2.3.3 Emotional Support

Whether respondents perceived that their organization provided resources in terms of emotional support in times of crisis, is proven to be a relevant theme to grasp the full experience of furloughs. It seems all organizations have expressed compassion with the employees’ situation, although there are variations as to who conveys this message. One Retail respondent says that those in charge of the communication have demonstrated humility and a sense of understanding, which has been positively received among their colleagues:

“It was a difficult message to receive. Many people cried. It was nice that the management took the time to talk to all of us” (Retail, 2).

The respondents' immediate leader seems to not be the primary source of emotional support during furloughs. One Retail worker expresses that they are disappointed in their supervisors' absence of communication. Their immediate supervisor used to make personal calls and arrange digital lunch meetings for the team in the initial stages of furloughs, but at this point they have not heard from their supervisor in four months. Several respondents across organizations describe a "sudden silence" after all practical matters were handled. No representative from any of the organizations has reached out in the latter stages of the furloughs, and almost all respondents voice they would have appreciated more personal communication:

"It can take a long time in between any communication from my employer. We're a lot of people on furlough. It would've been nice to receive a pleasant email saying something like "it doesn't seem that we have to fire anyone"(...). I don't know, I don't know how this works. But you're so nervous right, I would've really appreciated any kind of ... confirmation. I understand that they can't give that to us when they don't even know themselves, but there's no one asking "hey, are you okay"? No one does that any more. That personal aspect, that is really what I miss. Then I would have felt taken care of to a greater extent" (Airline, 1)

One Airline respondent reports that their immediate supervisor called them once to chat and ask how they were doing:

"I received a phone call from someone in the system, which has helped psychologically and lifted my mood. They have asked more about how things are and showed compassion, said that they understand that this is rough. They try to tell us they think it will be fine, and have given some encouraging words to the employees" (Airline, 2)

They perceived this phone call as motivating and compassionate, yet did not expect to receive such support more than once as it is beyond the organization's current capacity. The two other Airline respondents do not report to have received such calls. However, one of the respondents said they are aware that a discounted occupational offer exists in their organization, but believe that the employer should make a greater effort to communicate this support incentive, especially during a time of uncertainty.

The analysis also revealed other sources of support that were either sought out by the respondents themselves or offered through other instances such as labor unions and NAV:

“The primary source of support has been from colleagues and the labor union, and actually also from my immediate leaders when they were able to answer my questions. But no support from the upper management or organization” (Culture, 2)

The labor union representing the Culture respondents was further actively supporting the employees in the conflict with the employer when the decision to initiate furloughs was first taken. One Airline respondent further reports to have received personal attention and support from NAV.

4.2.4 Trust

Trust in the employer prior to the furloughs is not reported to affect trust perceptions during the furlough to a great extent. However, as communication transpires our data, expectations of transparency is identified as a central element in the foundation of trust in the employer.

4.2.4.1 Transparency

All of the respondents seem to give transparency a high value, both before and during furloughs.

“The upper management is supposed to make sure everyone below them is taken care of. The vision needs to align with what is actually being done in the organization: “What is said is what should go”. The management can’t be scared to tell the truth even though it reflects badly on them, then they will just have to address the issue and take care of it” (Retail, 1)

A magnitude of respondents expressed a lack of transparent information sharing from their employer during the period of furloughs. Respondents from the Culture segment generally report skepticism towards their employer’s motivation to furlough employees, and said their immediate response to the furlough was a

“shock” and felt like a decision “out of the blue”. According to one respondent, the upper management is to blame for the mistrust. All four respondents question whether decisions were made with the employees’ best interest at heart, and that this in turn has caused the management to hold back information about internal procedures. One of the culture workers believes that if such organizational practices were more transparent it would enhance a more cohesive culture across departments.

“I don’t think the employees’ are given all the relevant information we should. Whether this is for the best, I simply don’t know. I have talked to a colleague of mine that participates in the administrative meetings, and therefore I know that there’s a lot of information that never reaches the bottom-level of the organization. We’re supposed to get a report after these meetings, but I believe they try to avoid any further confrontations from employees. I don’t know if the meetings are confidential, but I do know that my employer is good at holding back information. They usually only inform about the positives” (Culture, 4)

Others stated that they have insights into general information about the furlough procedure. The respondents representing the travel industry were given frequent access to a joint ranking system based on their tenure of employment, which they found as a trustworthy source of information as it was perceived as a fair way to distribute furloughs. Furthermore, the seniority-based system was regarded as a justifiable method to manage employees’ expectations regarding their predicted return-to-work. Yet, one Airline respondent expressed that the system inhibited an open and clear procedure in how the organization and its leader think and act, as they were not given any additional updates for their status as furloughed. The employer’s lack of confirmation makes them uncertain about the future in the organization.

One of the retail workers explains they value that their employer communicates specific time estimates about the possibility of returning to work. This has made them feel safe in a period of uncertainty as they appraise the organization as reliable.

“My employer has given me clear estimates for when I’m likely to return to work. The entire time they have calmed us with the fact that they have a plan, and that everything will turn out OK. I know we want the same thing, which is to get us back from furloughs. Unless, the HR department has been open to help furloughed employees with short employment tenure to apply for other jobs” (Retail, 2)

4.3 Coping Mechanisms

Informed by the interviews, all respondents touched upon various ways in which they were managing the situation both on and off work, ultimately providing rich data material on coping mechanisms among furlougees. Coping mechanisms is here understood as how respondents adjust to changing circumstances in terms of cognitive as well as behavioral responses. In the following sections, we will present the identified coping mechanisms *Justification and Sensemaking, Dissociation and Passivity, Engagement and Involvement in the Process, Seeking Other Sources of Support, and Expectation Management.*

4.3.1 Justification and Sensemaking

As for cognitive sensemaking at the individual level, justifications for unmet expectations were frequently identified in the data. Many respondents come back to explaining that “they don’t know how this works”, justifying their own unmet needs with unclear expectations. Some further excuse their employers’ efforts by expressing an understanding of the situation and justifying poor management with busy and chaotic circumstances. Furthermore, expectations to the organization during the furlough process seem to be largely adjusted to match those of the previous expectations to the employment. One Airline respondent explains that they do not expect the employer to provide emotional support because they are accustomed to the formal manner in which their communication usually unfolds:

“I try to respect that my employer does their best. And I feel I get the information I need when I need it. To be honest it doesn’t affect me very much that it’s like that, I’m used to it” (Airline, 1)

The respondent uses the same justification to make sense of the lack of communication as a result of bureaucratic procedures: They're used to it.

Along the same lines, the Culture segment makes sense of the reportedly poorly managed situation with reference to past problems and conflicts in the organization. Two respondents reflect that many of the identified issues have actually existed for years, but have resurfaced during the furlough process:

“The atmosphere was bad to begin with, and so when we were furloughed, it was very negatively received. You know that since they didn't bother to fight for us and keep us healthy before, no one were surprised when we were furloughed like this” (Culture, 3)

On a different note, one respondent refers to the lack of dialogue and resonates that not all voices can be heard, and that executive decisions need to be made in large institutions like their own. Another respondent reflects upon the resistance from the organization directed at an initiative from the employees to create work for themselves. The reasoning was the poor quality of the digital production. This is justified by the respondent as this outcome contradicts their organization's value of professionalism. The respondent ultimately concludes with this fitting statement:

“I guess you can always find something to complain about” (Culture, 4)

4.3.2 Dissociation and Passivity

In situations where certain respondents describe a dissociation from their organization, they express a feeling of mentally “checking out”. When distancing themselves from the organization, they describe a tendency to become either disengaged or withdrawn. One Airline respondent says they started to withdraw mentally from work after being furloughed for a period of time. The notion of withdrawal behavior is present in the sense that the respondent gradually stopped checking emails from the management. They phrase this as a “loss of spark”. Further, they believe that the possibility of returning to work is unrealistic in the near future. The same respondent explains they have started to look for other opportunities. They see this as unfortunate, but that it has been necessary to think

differently and seek new challenges. Similarly, a Culture respondent says they used to demonstrate enthusiastic behavior as they were willing to act beyond the formal expectations for the job. They were eager to act as change agents, but say they have withdrawn and no longer take ownership of the organization's problems to the same extent. As the furlough is perceived as a "betrayal", the Culture respondent's perspective is that the organization should manage this on their own.

While some respondents display active coping mechanisms, others seem to rely on passive approaches to deal with a context of uncertainty. These respondents are in the belief that one simply needs to be patient. They do not report feeling particularly threatened by the situation, nor do they see a need to take further action as they recognize that these processes are beyond their control. Rather, they are optimistic about the future and are motivated by the possibility_of returning to work.

"I try to keep my spirits up until they prove me wrong. I just have to trust that everything will turn out OK. It would have been quite disappointing if I was laid off, but then I only have myself to blame since I did not try to seek other options. It is hard to know what is right, and what is wrong. I try to live in the moment, and take things as they come"
(Airline, 3)

4.3.3 Engagement and Involvement in the Process

Three respondents in the Culture segment take on an active role in what they experience as an unfair furlough process. One respondent is a member of the artistic committee and has responded to the situation with increased involvement in the matters. They feel a strong need to fight the employees' case in meetings with the management and labor unions, despite the increased frustration they feel as a result of the proximity to the organizational problems. The second Culture respondent makes repeated attempts at influencing management despite "being met with a wall" when doing so. The third Culture respondent says they are eager to make structural changes in the organization in order to improve internal communication. They report a desire to influence decision making processes through informal communication and meetings with colleagues and management. They all express a wish to pursue a career in the organization and explain their engagement with commitment and passion for their work.

One of the Retail respondents says they spend their freed-up time keeping themselves updated on the product lines of which they are responsible, as well as reaching out to others in the industry for development purposes.

4.3.4 Seeking Other Sources of Support

Respondents that appear to be more resilient report to be active in seeking support from other sources to avoid or minimize strain. Respondents mention family, colleagues and friends as important social networks for their well-being. Interaction with colleagues is reported as a source of recognition as some respondents find it soothing to share concerns and thoughts with others in the same situation. Other respondents cope by engaging in personal projects outside of work. While being temporarily laid off, some respondents find it helpful to reframe “unemployment” as an opportunity to develop hobbies, exercise and focus on selfcare.

4.3.5 Expectation Management

Lastly, the analysis reveals instances of expectation management initiated by the organization. This ultimately contributes to individual sensemaking and seems to resonate with the respondents in their overall understanding of the process. The Airline industry respondents say they have access to a seniority-based ranking system, disclosing information about the organization’s priorities when calling employees back to work.

“From the ranking system, I know I’m not the first in line. But at least I know that I won’t be coming back again until something big happens. That prevents me from walking around all day thinking I’ll be back at work next week. I feel less insecure. We’ve received indications that there will be no layoffs, and that message has been nice. Then I can feel confident that I’ll be back when my turn comes” (Airline, 2)

The Retail organization also provides similar measures, and further gives frequent updates on the organization’s status:

“They’ve arranged video calls once a week where they shed light on their status and what to expect. It’s been very comforting to know what we have to deal with and what to expect. My employer has signaled that they will be quick to take us back when we open again, and they’ve shared estimates along the way. The CEO shares information about current areas of focus in the organization, and what will happen in the immediate future in terms of coming back to work” (Retail, 2)

5.0 Discussion

As furloughs tend to be an organizational response to unforeseen circumstances (Brockner & Greenberg, 1990), scientific exploration of furloughs as a concept is relatively scarce (Datta et al., 2010; Kniffin et al., 2020). As the theoretical understanding of furloughs still remains limited, our study seeks to expand the extant literature by identifying and discussing concerns related to furloughs. By exploring the dynamics of exchange relationships when the employment contract is put on hold, one can start exploring a direction for how furloughs should be understood (Kniffin et al., 2020).

The practice is helpful for organizations to temporarily cut back on staffing costs in turbulent times, however it places employees in a limbo of being unemployed, yet still persistent to employment (Sucher & Gupta, 2018). What makes furloughs significantly different from other downsizing initiatives is that the transactional expectations related to work and pay are put on hold, whereas relational expectations as coined in the psychological contract often persist. As it has been argued that employees’ subjective experiences are central to understanding the impact of furloughs (Halbesleben et al., 2013), we employ the lens of employees’ individual experiences through the psychological contract.

Our analysis identified a variety of themes associated with the underlying expectations for the employment relationship. This section will focus on how findings informed by the data will contribute to deepen our understanding of employment relationships in a furlough context.

5.1 Renegotiation of Psychological Contract Terms

As furloughs add a freezing effect on the employment relationship, initiation of such a measure can complicate the psychological contract if there is a subjective perception of broken work-related promises (Huffman et al., 2021). Theory suggests psychological contract breaches are more likely to occur during change (Bellairs et al., 2014), raising questions of whether furloughs induce negative consequences on the employment relationship. Informed by our study, there seems to be no clear-cut answer to whether respondents experience a breach due to furlough procedures. Rather, findings suggest that perceptions of breach are complex evaluations. As the psychological contract is largely determined by the expectations of the employment relationship (Rousseau, 1990), the employees' expectations of their employer prior to the furloughs have demonstrated to be predictive of their respective perceptions of breach. Interestingly, unmet expectations that represent expected triggers of breach are in many cases followed by justifications of the situation, and respondents tend to ultimately convey sensemaking interpretations (Bankins, 2015). Even though breach was not identified as an evident concern, there are indications that furlough procedures affect respondents' attitudes, emotions and behaviors. Furloughs do not necessarily interrupt predictability in the employment relationship, yet, as suggested by Rousseau (1995), change can prompt individuals to re-assess the underlying terms of the psychological contract. Our study revealed that furloughs carried out new states of the psychological contract. The respondents explored new perspectives on the employment relationship based on the organization's response to unforeseen changes. Regardless of whether the organizational furlough practices induce dissatisfaction or satisfaction among employees, results point to a renegotiation of the expected and actual contract terms (Huffman et al., 2021). This captures the dyadic essence of psychological contracts in that they are constantly evolving (Robinson & Rousseau, 1994). However, the identified triggers of breach furloughees experience might impose an *actual* breach if the organization does not provide an invitation to renegotiate contract terms while managing change (McLean Parks et al., 1998). This may explain why our respondents reported dissatisfaction with unmet expectations, yet still not demonstrating any clear indications of a distinct breach of promises. This will further be discussed in interaction with other themes related to psychological contract and employment relationships.

5.2 Organizational Commitment and Turnover Intention

Temporary layoffs send a signal of uncertainty to employees and can cause crucial talent within the organization to potentially seek other opportunities in the job market (Moore, 1985). Turnover intention is consistently found to be predicted by trust in management, distributive justice, procedural justice and organization commitment (Spreitzer & Mishra, 2002), all argued to be components of what constitutes the psychological contract (Spreitzer & Mishra, 2002; Dulac et al., 2008). Turnover intention is thus commonly used as a factor for determining the ultimate breach of the psychological contract (Huffman et al., 2021; Dulac et al., 2008). The previously discussed difficulty in determining a clear breach proves increasingly relevant in terms of turnover intention, as the identified triggers for breach were not consistently associated with expressions to leave their current employer. Regardless of accounts of broken trust and perceptions of injustice, employees reported strong indications of commitment and weak indications of turnover intention. The strong association between the latter concepts is well established in the literature and thus supports these findings (Elias, 2009). However, the strong indications of commitment reported by our respondents seems to exist despite the experienced triggers of breach in the employment relationship, contradicting previous literature similarly to turnover intention (Dulac et al., 2008). A potential explanation for this finding could be the respondents' emotional attachment to their profession and that the commitment is thus reflected in the nature of their work rather than the actual organization.

Bellairs and colleagues (2014) discuss how turnover intention in the context of furloughs might result from employees reconsidering their current job, and take action to seek other employment opportunities as they experience a sense of job insecurity. This notion is confirmed on several accounts, and is mainly reported as the respondents' reasons for seeking other employment. However, unmet expectations in terms of social and emotional support were reported to add to actual turnover on one account. Other respondents however report the same unfulfilled expectation, but do not intend to quit. Thus, our findings are only partially in line with previous research. The reasons for our inconclusive findings with regards to turnover intention and psychological contract breach can arguably be explained by **1) a need for safety in uncertain times 2) employees' high commitment to their professions 3) evaluation of similar challenges in other relevant organizations 4)**

justifications of the situation. Although not determining breach, our inconsistent findings on the relation between triggers for breach and turnover intention might still point in the direction of a weakened psychological contract.

Although turnovers are costly for the organization on many levels (Staw, 1980), it can be argued that a weakened psychological contract might bear just as harmful implications on the organization in the long term. The psychological contract is found to deem positive outcomes in terms of job satisfaction and organizational commitment (Robinson & Rousseau, 1994), organizational citizenship behaviors (Robinson & Morrison, 1995) as well as employee performance (Robinson, 1996). Along with these lines, our study identifies coping mechanisms that bear negative implications (i.e. withdrawal from the organization) or are outside the organization's control (i.e. seeking other sources of support). Recent research also implies employer contract behaviors related to developmental promise fulfillment are important in fostering employee willingness to be internally employable (Solberg et al., 2020). Employees displaying flexibility in taking on new tasks and roles within the organization will arguably continue to be a crucial resource in today's rapidly changing work environment.

Thus, in the cases where employees experience triggers for breach of the contract, but ultimately do not decide to leave, implications of a weak psychological contract might pose threatening effects for the organization in the long term. As for such cases identified in our findings, previous trauma from harmful employer contract behavior caused them to renegotiate the terms of the psychological contract, and can be thought to ultimately weaken their resilience to similar situations in the future. Such experiences allow employees to make first hand observations about their employer's contract behavior in critical situations, which aligns with Datta and colleagues' (2010) notions on harmful implications for survivors in a downsizing context.

5.3 Justice Perceptions

Theory finds justice to play a central role in sensemaking processes as humans tend to use justice information to assess their exchange relationships (Van Dierendonck & Jacobs, 2012), arguably as a means of reducing cognitive dissonance. This notion became evident in our findings: In trying to make sense of an uncertain situation,

respondents resorted to assess whether the organization's decision making was indeed fair. Those who reported to be treated fairly and well informed about the process further expressed patience and less uncertainty, which can be explained by Lester and colleagues' (2007) findings that perceptions of justice produce confidence in the assessment of the employment relationship. Where employees experienced injustice, they tended to make active use of justifications to ultimately convey a coherent narrative of their experiences.

Among differentiated justice concepts, Van Dierendonck and Jacobs (2012) find procedural justice to be the best predictor of employee behaviors and attitudes. We found support for this in that a lack of influence was identified as a main theme in negative exchange perceptions as well as accounts of engagement and withdrawal. Correspondingly, those who felt they had a possibility to influence evaluated the relationship with their employer as more positive. Moreover, accounts of third-party interests in decision making, namely questioning the employer's motivation for furloughs, elicited strong sensations of injustice, and naturally caused doubts about the employment relationship. This also held true for respondents who perceived to be discriminated against, i.e. that the furlough process was not applied consistently across people and time (Leventhal et al., 1980). Ultimately, those who perceived the furlough process to be fairly managed in procedural terms, among whom even reported the organization to exceed their expectations, can seem to have strengthened the psychological contract. Thus, our findings align with the preexisting notions that procedural justice perceptions are central to the quality of the psychological contract.

In line with previous findings (Van Dierendonck & Jacobs, 2012; Colquitt et al, 2001), we also identified distributive as well as interactional justice constructs to partially explain employee evaluations of the psychological contract. As for distributive justice, a notable observation was that employees who felt the organization's contract behaviors in the situation were unsatisfactory tended to report withdrawal behaviors. Moreover, accounts of interactional justice, referring to justice perceptions in the exchange between employee and supervisor, became particularly apparent in our data. In line with Cropanzano and colleagues' (2002) findings, ease of communication was reported to be a key factor for bridging justice perceptions within this exchange relationship, particularly with reference to transparency. Across our data we identified a clear pattern of the way in which

information was conveyed to furloughed employees: Respondents frequently reported information to take the form of one-way formal communication from top-level management as well as HR and labor union representatives in the early stages of the process. Although some respondents reported instances of more interactive communication, these initiatives rarely came from the employee's supervisor.

With reference to cognitive dissonance, offering explanations for unpopular decisions reduces negative reactions and makes employees perceive the decisions as fairer (Bies, 1987). This notion provides an explanation as to how interactive justice can potentially buffer overall justice perceptions, and how the lack of such interactions among our respondents has produced increased perceptions of injustice. Under normal circumstances, it would arguably be natural for a supervisor to offer these kinds of explanations. Seeing as the originally proposed relevancy of LMX was not reported with the frequency we expected, it seems Cropanzano and colleagues' (2002) notions on the nature of interactive justice provide a viable explanation for frequent reporting on perceived injustice among employees in organizations characterized by mass furloughs.

5.4 Trust

As uncertain times trigger sensemaking processes (Weick, 1995), employees frequently use justice information to assess their exchange relationships to ultimately assess whether organizational authorities can be trusted (Van Dierendonck & Jacobs, 2012). Theory presumes that trust and justice perceptions are tightly linked to determine the state of the psychological contract (Guest, 2004). Employees can dwell on the employment relationship if their organization is not acting in accordance with their expectations, and thereby diminish trust (Bellairs et al., 2014). Our findings are consistent with Morrison and Robinson's (1997) emphasis on employment relationships shaping the nature of the contract. In cases where the expectations to the employer's benevolence only extend to transactional matters, no breach seems to be detected. These respondents seem to experience that their employer weaves trustworthy signals as the furlough procedure is perceived as accurate and reliable. The employees' trust in a justly executed process seems to produce positive coping mechanisms and reduced uncertainty among these employees, who ultimately do not perceive this novel situation as threatening to

their employment. In return, they trust that their employer is able to ensure job security. On the other hand, prevailing theory agrees trust can be hard to retain during periods of uncertainty, especially if it fosters negative feelings related to whether furloughs are well-intentioned (Robinson, 1996; Bellairs et al., 2014; van den Heuvel et al., 2017). This resonates with our findings in that a lack of transparency is identified as a trigger for breach. The critical assessment raised by respondents was characterized by skepticism towards the employer's motivation for employing furlough procedures at all, ultimately having implications for the employment relationship. As suggested by Bellairs and colleagues (2014), downsizing events such as furloughs can disrupt employees' trust if they perceive themselves to be unjustly treated. Interestingly, upper management seems to consistently be held accountable for whether actions are fully vested in employees' best interest. Trust towards upper management can be seen to reside on shaking ground in such cases, as respondents reported notions of a weakened psychological contract. This assertion is supported by recent research implying that mistrust in a furlough context tends to be directed towards the upper management (Huffman et al., 2021). Accordingly, Huffman and colleagues (2021) found that doubt in upper management's intentions ultimately led to mistrust in the information that was being shared. This may be explained by low prior trust in the employer, as previous conflicts and issues served as a reference point to how respondents perceived their employment relationship, thus intensifying as a trigger for breach (Robinson, 1996). Conclusively, our findings related to trust perceptions align with existing theory as the importance of trust as a fundament for the psychological contract is seen to transcend to the context of furloughs.

5.5 Organizational Support

Our analysis supports previous literature with regard to the importance of organizational support in downsizing events. Our study did not specifically set out to investigate the role of organizational support, yet we found clear indications that it influences respondents' contract evaluations. This follows logically as both psychological contracts and perceived organizational support are grounded in the theory of social exchange and the notion of reciprocity (Coyle-Shapiro & Conway, 2005). It is thus likely that perceived organizational support forwards a signal of

reciprocity (i.e. distributive justice). As the psychological contract is subjectively manifested, theory postulates that a lack of organizational support might give indications of the organization not valuing employees' contributions nor caring about their individual well-being (Gakovic & Tetrick, 2003). Along the same lines, we found that employees who reported instances of compassion from the organization were inclined to reciprocate this support behavior with patience and justifications favoring the organization.

Our findings generally revealed a desire for emotional support. The strong situation in which respondents found themselves was seen to inspire epiphanies on their preparedness to "give their all to the organization", yet only received support of a transactional character (i.e. practical support) in return. This aligns with literature in that absence of organizational support is found to make employees more vigilant to employer's fulfillment of promises (Coyle Shapiro & Conway, 2005). Furloughs further seem to elicit a stronger need for emotional support due to uncertainty. As suggested by Bellairs and colleagues (2014), furloughed employees tend to reassess whether their unwritten contract is supported during environmental changes. In normal times, respondents may seek social and emotional support from colleagues and supervisors. Under downsizing circumstances however, employees can not necessarily rely on supervisors or colleagues to provide such support as they might also be furloughed. This is consistent with Loi and colleagues' (2011) findings that the leader's role in downsizing strategies will mediate the quality of the relationship. The nature of the situation might explain why instances of support from supervisors and other LMX functions were not evident in our data, and that respondents sought alternative sources of support as a coping mechanism.

Moreover, our study revealed that practical support was provided to a great extent across organizations. Respondents from one of the organizations even perceived the flow of communication to be more efficient as the intermediary mid-manager levels were omitted in information distribution. However, emotional support was still reported as an unmet need, which might ultimately imply that mere supervisor interactions provide a sense of support that is diminished in this context. This aligns with Dulac and colleagues' (2008) finding that relational factors serve as a positive buffer to diminish negative emotional responses to psychological contract breach. Following this line of argumentation, the organization's role during furloughs could take a more social character in employee interactions in order to

satisfy important support functions. Hence, we find support for the notion that exchange relationships are central for support functions. We further suggest the employee-employer exchange emerges as an important arena for providing emotional support to buffer for the lack of supervisor exchange in the context of furloughs.

5.6 Institutionalization

As suggested by Mckinley and colleagues (1995), institutional theory influences organizational downsizing practices. In this context, it seems that social forces (i.e. societal norms) have the potential to drive organizations to resort to furloughs before evaluating implications of such measures for their specific organization. In our study, this dissonance was further seen to transcend to the employees and inhibit sensemaking, ultimately resulting in reduced trust in managers' decision-making. This implication can be seen to have ripple effects throughout the process and might ultimately produce negative outcomes in terms of a compromised psychological contract. Along these lines, Schminke and colleagues (2000) find procedural injustice to be more frequently reported in organizations characterized by centralized decision-making processes. This might explain how careful evaluations and previously discussed justice measures were seen to buffer negative contract outcomes as respondents made justifications for the organization's cutback policies. This aligns with recent research suggesting psychological breach perceptions might be conceptualized differently when the cutback policies are linked to a healthcare crisis rather than market conditions (Huffman et al., 2021).

Moreover, the norms following hierarchical structures seem to dictate elements of the psychological contract with respect to expectation management. Those respondents reporting to feel like "just a number" seemed to have lower expectations for the relational aspects of the employment relationship, arguably as a result of bureaucratic communication structures dictating that "it would be unnatural to send them an email". As such, norms associated with the hierarchical character of the organizations in our study might explain why some of our findings deviate from pre-existing downsizing literature. Hence, it can prove relevant to acknowledge factors related institutionalization when facilitating renegotiation of the psychological contract in the process of returning to work.

6.0 Limitations

As with all research, our study is subject to limitations. First of all, as the study is based on qualitative measures, transferability, or external validity, is naturally limited in terms of population and context (Guba & Lincoln, 1994; Bryman & Bell, 2011). Thus, our findings can neither be generalized to other organizations, nor to a non-Norwegian context as laws and government interaction (i.e. NAV and labor union collaborations) will differ across nations. Our scope is further limited as the research was conducted under a pandemic, implying a unique context. The small sample further limits inferences to be drawn on behalf of entire organizations as we have only investigated insights from bottom-level employees. As we identified organizational norms to influence the respondents' experiences in the furlough process, the bureaucratic structure of the organizations in our study might further prevent transferability to organizations with a less hierarchical structure. Including representatives from flatter organizations could have also yielded different insights into the nature of LMX functions in a furlough context. Finally, we do not have insights into the employment relationship prior to the furloughs apart from what is reported by the respondents, which further limits transferability. As a measure to increase transferability in qualitative research, Guba and Lincoln (1994) suggest that providing so-called thick descriptions can enable other researchers to make informed decisions about potential areas of transferability of findings. To account for this, we have provided a comprehensive review of our findings supported by rich excerpts from our data. As our study includes accounts from three different organizations, we allow for a broader, more nuanced perspective on experiences of furloughs in the light of three different industries.

Second, our interview accounts could be considered to be subject to various biases. In qualitative research studies one must be aware of the possibility of the social desirability bias (Bryman & Bell, 2011), which might cause respondents to present reality in a manner that is seen as accepted standards of behaviors (Chung & Monroe, 2003). As researchers, we must acknowledge how the tendency to respond to questions in socially desirable terms creates complexities in interpreting findings. Our identification of plausible justifications as an important finding could reflect a social desirability bias as respondents do not want to present their employer under unfavorable circumstances. According to this latter view, one must take the

sensitivity of disclosing information about the employment relationship into account. To further minimize the potential social desirability biases in our study, we spent proper time to inform respondents about the research and its purpose, established rapport and asked confirming questions (Bryman & Bell, 2011).

7.0 Practical Implications

The results of this study come with several practical implications for organizations managing times of uncertainty. Previous literature emphasizes the need to look into psychological contracts across different contexts, and so we provide a solid contribution for understanding the contract in a furlough process. As there are indications that the psychological contract is renegotiated both during and after a period of furloughs, we identify a need for organizations to recognize the consequences of a poorly executed furlough process. Research on the psychological contract and the factors by which it is determined are well-studied. However, organizations need to realize the continued relevance of these factors when employees are furloughed as the employment relationship still persists in this period.

As this study suggests immediate leaders can not necessarily be expected to exert support behaviors as they may also be furloughed, we identify a need for these responsibilities to be taken on by upper level management. Thus, implications for HR practices should be considered. We expand on Bellairs and colleagues' (2014) finding that HR initiatives can help buffer negative impacts in uncertain times, and thereby suggest HR procedures be specifically tailored to limit negative outcomes of furloughs. Informed by our findings, we suggest some measures to be included in such a plan: **1)** A clear and meaningful flow of information to account for justice perceptions. Upper management should convey information in a transparent manner to adversely maintain or increase trust. Delivering bad news in a consistent manner that is well known, well understood, and fair should result in employees responding more favorably (Bellairs et al., 2014). **2)** Invite employees to exert influence by establishing two-way communication systems and emphasize approachability. This is suggested to foster empowerment among employees (Paul et al. 2000). **3)** Points of contact for organizational support to replace potentially absent immediate leaders. In our study, the organization's most valuable function

in providing emotional support was found to be compassion and supposedly managing employees' expectations. We have thus expanded on Dulac and colleagues' (2008) suggestion to explore the role of LMX in shaping the psychological contract across different contexts, and support their speculation that the immediate leader may not always play a central role in perceptions of met promises and the sensemaking that employees engage in within their employment relationships.

Informed by our findings, organizations distributed much information in the initial stages of the process. However, negatively loaded coping mechanisms were seen to reveal themselves further along in the process. Measures to buffer for negative outcomes in terms of the employment relationship should thus be applied consistently over the entire furlough period.

8.0 Conclusion

Furloughs as a cutback policy is gaining increased popularity for organizations to navigate times of uncertainty. Yet, the understanding of how the employment relationship develops in this process is strictly limited. The goal of this study has been to expand this understanding through the lens of exchange relationships in the context of the COVID-19 pandemic. We further pinpoint implications for organizations as for how to minimize damage to psychological contracts throughout the furlough process by taking individual experiences into consideration.

In this paper we found that furlougees do not necessarily experience a distinct breach of the psychological contract as no ultimate turnover intention was evident. Yet, the analysis leads us to believe that the underlying terms for the relationship with their employer is renegotiated. As new expectations to the employment relationship emerged in a furlough context, triggers for breach were identified to serve as important evaluation points for new terms of the psychological contract. This captures the dyadic essence of psychological contracts as they are constantly evolving. We ultimately suggest organizations more carefully consider the fragile nature of the psychological contract when employing strategic HRM practices in a furlough context.

As our research is theoretically drawing on downsizing literature, we postulate some key aspects differentiating the concept from furloughs. We theorize

that the proposed negative effects experienced by survivors in the downsizing literature may be even stronger in the context of furloughs. This is because furlougees are subject to first-hand observation of how they are treated, as opposed to downsizing survivors that observe how their colleagues are treated. This information hence proves more personally relevant for furlougees.

Further, in contrast to downsizing events, mid-level managers do not serve as reliable support functions for their subordinates during furloughs. We thus emphasize the importance of other levels of the organization to provide such support as a key measure for preventing damage to the psychological contract.

9.0 Suggestions for Future Research

Despite its increasing relevancy, the furlough literature is still relatively scarce. To further expand the scope of our findings, a quantitative approach would prove insightful. Future research should look into furloughs under other circumstances as the factors we have identified here might be specific to the context of a healthcare crisis.

As we have identified organizational norms associated with hierarchical structures to be relevant for our findings, further research should look into smaller, less bureaucratic organizations. By doing so, we believe greater insights into the role of LMX during furloughs can be obtained.

Lastly, future research is encouraged to explore the effects on the psychological contract post-furloughs. Research should thus include return-to-work as a reference point. As such, one can explore how a temporary leave affects the psychological contract along with other outcome variables (i.e. job performance and organizational citizenship behavior) in a longer perspective. As turnover intentions do not satisfy as a predictor of breach in this furlough context, future research might look more closely into the impact of organizational commitment on organizational behavior outcomes, as employees are not inclined to leave their job under turbulent circumstances. In turbulent times/under uncertain circumstances

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Appendix 1 – Interview Guide

FASE 1: Introduksjon (10 minutter)

Informasjon

- Løs og uformell prat
- Informasjon om intervjuet
 - Formål, bakgrunn og presentasjon av intervjuer og observatør
 - Tydeliggjøring av taushetsplikten
- Personalia
 - Alder
 - Arbeidsstilling og arbeidserfaring
 - Hvor lenge har du jobbet for nåværende arbeidsgiver?
 - Hvor lenge har du vært permittert?

Opplevelse av å være permittert

- Hvordan har permitteringen påvirket din hverdag personlig?
- Hvordan har forløpet i prosessen vært?
 - Hvordan fikk du beskjed om at du var permittert? Hva var reaksjonen din?
 - Har du fått spesifikk informasjon om hvor lenge du vil være permittert?
- Hvordan er situasjonen i organisasjonen?
 - Er mange av kollegene dine permittert?

FASE 2: Nøkkelspørsmål (45 minutter)

Opplevelse av rettferdighet i prosessen

- Hva tenker du om arbeidsgivers motivasjon for permitteringer?
- Opplever du å ha innsikt i begrunnelsen for hvem som er permittert (f.eks. ansiennitet)?
- Opplever du prosessen som upartisk (uten diskriminering eller favorisering, basert på kollegaer som er ikke-permittert)?
 - Hvorfor/hvorfor ikke?
- Opplever du at du har hatt mulighet til å fremme dine synspunkter underveis i prosessen?
 - Hvorfor/hvorfor ikke?
- Opplever du at du har hatt mulighet til å påvirke utfallet av de delene av prosessen som angår deg?
 - Hvorfor/hvorfor ikke?
- Føler du at permitteringen er basert på presis og riktig informasjon?
 - Hvorfor/hvorfor ikke?

Kommunikasjon med arbeidsgiver

- Hvordan har du opplevd kommunikasjonen med arbeidsgiver underveis?
- Hvordan har dere kommunisert?
 - Medium (epost/telefon/annet)
 - Frekvens
- Hvem i organisasjonen har du vært i kontakt med/blitt fulgt opp av underveis?

Forhold til arbeidsgiver

- Hvilke forventninger har du til arbeidsgiver?
 - Hvordan har disse eventuelt endret seg siden permitteringen inntrådte?
- Hvordan har permitteringen påvirket relasjonen med organisasjonen?
- Hva slags støtte har du mottatt fra organisasjonen under permitteringen?
 - Er du fornøyd med disse initiativene, eller mener du noe burde vært gjort annerledes?
- Hvordan har permitteringen påvirket relasjonen med nærmeste leder?

Tillit til arbeidsgiver

- Opplever du at arbeidsgiver vil det som er best for deg?
 - Har dette eventuelt endret seg etter permitteringen?
- Har du tillit til at arbeidsgiver oppfyller forventningene dine?

Tilknytning til organisasjonen

- Vil du si du er følelsesmessig knyttet til organisasjonen?
 - Hvorfor/hvorfor ikke?
- Føler du eierskap til organisasjonens problemer?
- Hva er dine nåværende tanker om videre karriere i denne organisasjonen?

FASE 3: Avslutning (5 minutter)

- Hvordan ser du for deg at det blir å komme tilbake til arbeidsplassen?
- Har du vært permittert ved tidligere anledninger?
 - Hvordan opplevde du i så fall denne erfaringen i sammenlignet med nåværende situasjon?
- Har du noe du ønsker å legge til? Spørsmål/kommentarer?
 - Noe rundt permitteringsprosessen din du føler vi ikke har dekket?

Tusen takk for at du stilte opp.

Appendix 2 – Letter of Consent

Vil du delta i forskningsprosjektet «Ansattes opplevelse med permitteringer»?

Dette er et spørsmål til deg om å delta i et forskningsprosjekt hvor formålet er å undersøke ansattes opplevelse av permitteringer. I dette skrivet gir vi deg informasjon om målene for prosjektet og hva deltakelse vil innebære for deg.

Formål

Dette prosjektet er en masteroppgave i Ledelse og Organisasjonspsykologi ved Handelshøyskolen BI i Oslo. Formålet er å undersøke ansattes opplevelser med permitteringer i forbindelse med Covid-19. Prosjektet har som mål å redegjøre for individuelle opplevelser, holdninger og atferd rundt denne konteksten i henhold til begrepet psykologisk kontrakt. Psykologisk kontrakt er et anerkjent begrep innen fagfeltet, men dette studiet har som formål å undersøke faktorer som kan bidra til følelsen av brudd på denne psykologiske kontrakten. Basert på dette er målet å utvikle et rammeverk for ledere/organisasjoner som permitterer ansatte, slik at bruddet på den psykologiske kontrakten ikke vil oppleves som like stort, og man effektivt kan få tilbake ansattes rutiner og trivsel etter endt permittering.

Hvem er ansvarlig for forskningsprosjektet?

Handelshøyskolen BI Oslo er ansvarlig for prosjektet.

Hvorfor får du spørsmål om å delta?

Primært vil vi kontakte en håndfull av kandidater til prosjektet som per dags dato er permittert fra deres arbeidsforhold. Derfor er utvalget plukket ut fra industrier som kan karakteriseres som «hardt rammet» i forhold til omstrukturering av organisasjonen som følge av Covid-19. Det stilles ingen krav til demografiske variabler, annet enn at det er ønsket en variasjon mellom kvinner og menn. Ei heller stilles det spesifikke krav til andre spesifikke karakteristika for organisasjonen. I hovedsak er det permitterte ansatte som individer vi er interessert i å få en forståelse av. Disse vil bli kontaktet via melding/mail via egen kontaktinformasjon, ettersom prosjektet ikke har som mål å generalisere resultatene til andre grupper.

Hva innebærer det for deg å delta?

Hvis du velger å delta i prosjektet, innebærer det at du deltar i et intervju. Det vil ta ca. 60 minutter. Det vil bli gjort lydopptak av intervjuet som senere vil bli slettet.

I intervjuet vil det bli stilt spørsmål om opplevelsen av å være permittert, og hvordan intervjuobjektet har opplevd prosessen fra permitteringsforholdet trådte i kraft. Prosjektet ønsker å redegjøre for hvordan denne opplevelsen har påvirket

arbeidsforholdet, og om f.eks. tillit er svekket som følge av dette.

Det er frivillig å delta

Det er frivillig å delta i prosjektet. Hvis du velger å delta, kan du når som helst trekke samtykket tilbake uten å oppgi noen grunn. Alle dine personopplysninger vil da bli slettet. Det vil ikke ha noen negative konsekvenser for deg hvis du ikke vil delta eller senere velger å trekke deg. Deltakelse vil ikke påvirke din arbeidsplass eller arbeidsgiver.

Ditt personvern – hvordan vi oppbevarer og bruker dine opplysninger

Vi vil bare bruke opplysningene om deg til formålene vi har fortalt om i dette skrevet. Vi behandler opplysningene konfidensielt og i samsvar med personvernregelverket.

To studenter, som opptrer i rollen som initiativtakere til prosjektet, og en veileder ansatt ved behandlingsansvarlig institusjon vil ha tilgang på dataene. Ved evaluering av prosjektet vil en ekstern sensor ha tilgang til dataene i samarbeid med veileder. Navn og kontaktopplysninger vil ikke være synlig på dette stadiet av prosjektet, da intervjuobjekter vil bli anonymisert med en kode.

Hva skjer med opplysningene dine når vi avslutter forskningsprosjektet?

Prosjektet vil avsluttes 1.juli basert på frist fra behandlingsansvarlig institusjon. Personopplysninger og opptak vil ikke deles, og slettes etter prosjektet er godkjent. Handelshøyskolen BI vil arkivere masteroppgaven i sin portefølje, og i enkelte tilfeller gi en forespørsel på å gi fysisk tilgang til dokumentet på sitt bibliotek i Oslo. Dette er for å gi andre senere studenter muligheten til å lese tidligere masteroppgaver, men institusjonens regler for plagiat gjelder også for denne kategorien av dokumenter.

Dine rettigheter

Så lenge du kan identifiseres i datamaterialet, har du rett til:

- innsyn i hvilke personopplysninger som er registrert om deg, og å få utlevert en kopi av opplysningene,
- å få rettet personopplysninger om deg,
- å få slettet personopplysninger om deg, og
- å sende klage til Datatilsynet om behandlingen av dine personopplysninger.

Hva gir oss rett til å behandle personopplysninger om deg?

Vi behandler opplysninger om deg basert på ditt samtykke.

På oppdrag fra Handelshøyskolen BI har NSD – Norsk senter for forskningsdata AS vurdert at behandlingen av personopplysninger i dette prosjektet er i samsvar med personvernregelverket.

Hvor kan jeg finne ut mer?

Hvis du har spørsmål til studien, eller ønsker å benytte deg av dine rettigheter, ta kontakt med:

- Handelshøyskolen BI Oslo ved veileder Ellen Rebeca Kackur (ellen.r.kackur@bi.no), Jenny Solbakken (jenny.solbakken@student.bi.no) eller Marlene Sagen Bru (marlene.s.bru@student.bi.no).
- Vårt personvernombud Vibeke Nesbakken (personvernombud@bi.no)

Hvis du har spørsmål knyttet til NSD sin vurdering av prosjektet, kan du ta kontakt med:

- NSD – Norsk senter for forskningsdata AS på epost (personverntjenester@nsd.no) eller på telefon: 55 58 21 17.

Med vennlig hilsen

Ellen Rebeca Kackur
(Forsker/veileder)

Jenny Solbakken

Marlene Sagen Bru

Samtykkeerklæring

Jeg har mottatt og forstått informasjon om prosjektet ansattes opplevelse med permitteringer og har fått anledning til å stille spørsmål. Jeg samtykker til:

- å delta i intervju

Jeg samtykker til at mine opplysninger behandles frem til prosjektet er avsluttet

(Signert av prosjektdeltaker, dato)