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To relocate or not to relocate – understanding employees' decisions to relocate or not as a result of plant closure

The case of AstraZeneca AB

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Abstract

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Title: To relocate or not to relocate – understanding employees' decisions to relocate or not as a result of plant closure. The case of AstraZeneca AB.

Background and problem discussion: In the current globalising economy, firms are experiencing increasing pressure for rationalisation and plant closures follow as a result. However, there is also a need to retain competent employees and relocation offers are thus directed at valuable employees, using financial incentives and support for the accompanying family to facilitate the move. Previous research has mainly focused on biographical predictors of employees' willingness to relocate and the psychological effects of downsizing. Little is known about the underlying reasoning behind employees' decisions to relocate or leave the organisation. This discussion leads us to the following research question:

What are the determinants of a decision to accept or decline a relocation offer due to plant closure?

Aim: The aim of this study is to identify the determining factors of a relocation decision of employees who are offered relocation due to plant closure. Furthermore, we aim to increase the understanding of the reasoning behind an employee's decision to relocate, commute or leave in such a situation.

Methodology and limitations: In this study, we have examined the case of AstraZeneca AB, currently in the process of reorganisation which involved the closure of their plant in Lund, Sweden. The empirical basis is formed through a survey of approximately 65 employees at the plant in Lund as well as through eight in-depth interviews with employees. The study has been conducted at one company only, giving limited generalizability. In addition, it is only the specific nature of relocation from Lund to Mölndal that has been examined; moves between other locations may result in different findings.

Results and conclusions: The results aim to give an overview of the empirical data in order to answer the question what the determinants are of a decision to accept or decline a relocation offer. Using insights from the interviews, different perspectives of rationality were found and discussed. Some decision-making processes are based on family rationality, others on economic rationality or self-fulfilment rationality. Furthermore, when analysing the results from both the survey and interviews, it was concluded that personal conditions determined the outcome of the decision. From personal variables such as children or age, individual starting points are created which indicate what personal values are emphasised in the decision. Some interesting points were found in the study; a decision to relocate or commute was often determined by the fact that the children were aged 18 or older and career opportunities within the company were important. Employees leaving the organisation have strong attachment to their current community and family-related values were significant for their decision.

Keywords: relocation, plant closure, downsizing, decision-making, rational decision-making, employees' willingness to relocate, predictors of willingness to relocate.

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Chapter 1: Introduction

Chapter 1 begins with an introduction of the subject in order to link the public debate to our research area. Second, we introduce the topic of relocation of employees due to plant closure by highlighting what has not been discussed in previous theories and explaining what our study will add to existing research on this topic. Finally, the aim and the research question will be presented followed by a brief disposition of the report.

1.1 Introduction to the subject

The business environment for global companies is today complex, unpredictable and frequently changing. As a consequence of a changing environment, companies experience pressure to go through restructuring, relocation or downsizing processes with the aim of staying competitive in relation to their competitors (Jones, 2002). Business today is likely to face an increased demand of mobility of employees and frequently transfer workers as a result of the globalising economy. From the employers' point of view, mobility of employees might be more and more important. Human resources (HR) are one of the most valuable competitive advantages for organisations and therefore it would be of high value for companies to make the competence within their operations mobile. In some instances, individual employees are transferred to gather and transfer knowledge, in other situations, entire offices and plants may be closed down and employees transferred as a result. However, transfer of employees as a way of promotion in their career might differ from a more complicated situation where transfer means to either move or lose one's job.

There may be differences in expectations of mobility, as this characteristic may not be as highly valued by employees as by their employers. To which extent employees are mobile may be related to their perceptions of commitment and loyalty both to the organisation, their community or family. A situation where relocation is required may in general be more complex for employees, as individuals are rooted in social contexts as well as work-related ones. In contrast, companies or more specifically the board of directors, are mainly driven by economic forces. In a study by Christensen and Sandal (1997), it was found that the main reason why firms decided to close operations was rationalisation. As a consequence of corporate relocation, employees might be given the opportunity to either accept or decline a relocation offer. It is of interest to understand whether employees' decisions are driven by economic forces and define rational thinking in the same way as companies would do. Simon (1947, 1997) defined rational decision-making as considering all possible consequences of each option and choosing the alternative of the highest value. Rational thinking and its influence on employees' decision-making might be of importance in order to understand employees' perspective of a relocation decision.

Keeping in mind the increased complexity of business operations, more plant closures and corporate relocations can be expected (Jones, 2002). As it might be increasingly common for organisations to close one plant whereas another is expanding, an increased need for mobility of employees will be developed. Thus, it will be important for companies to understand how and why people make their decisions to relocate or leave an organisation.

1.2 Analysis of the research area

In the previous section, we introduced the topic of relocation of employees due to plant closure and some of the problems that may occur in relation to such a situation. In this section, we will continue to discuss relocation and introduce theoretical and practical perspectives on the topic.

Relocation situations are commonly very complex for decision-makers where career opportunities are valued in relation to social benefits and costs. How relocation decision processes are formed and developed, in situations where workers are facing relocation or job loss, has not been discussed in previous studies. Voluntary relocation, such as employee transfer, has been discussed and predictors of willingness to relocate have been identified and suggested to be the same due to plant relocation (e.g., Eby & DeMatteo, 2000; Sagie, Krausz & Weinstein, 2001). In a situation where the option is to lose one's job, the decision cannot be seen as entirely voluntary although naturally there is no coercion to move, as the consequence of rejecting a relocation offer could be the loss of a stable income. We believe that additional research into predictors of willingness to relocate is necessary, as these might differ in a situation of plant closure.

Our study will include a number of potential decision factors considered by employees in order to give previous relocation research a wider perspective. Previous research, mainly American, has identified factors such as age, gender, family situation, career opportunities and attitudes toward the destination as possible predictors of relocation decisions (e.g., Turban et al., 1992; Eby & Russell, 2000; Sagie, Krausz, Weinstein, 2001). From our investigations into relocation research (see chapter two for details), we have not found any similar studies performed in Swedish or Scandinavian companies on restructuring and relocation. Therefore, a Scandinavian perspective will be added in our study. In addition, many of the studies performed include a majority of male employees (e.g., Noe & Barber, 1993). In the study by Sagie, Krausz, Weinstein (2001), all employees investigated were male. As confirmed by a recent Swedish study by The Institute for Labour Market Policy Evaluation (IFAU), male spouses' career opportunities following relocation were a better indicator of a decision to relocate than female spouses' opportunities for career development (Brandén & Ström, 2011). In light of this, our study will have an equal distribution of male and female employees in order to expose any potential differences between the genders in their decision-making. In challenging times, money and status are less important to employees and there has been a trend after the financial crisis during 2008-2009 toward an increase of human values and less focus on material gains (Marques, 2010). Downsizing could be viewed as challenging when the options are relocation or job loss. During situations such as these people seem to lean closer to human values rather than financial growth (Marques, 2010). A hypothesis has been developed by Eby and Russell (2000) which states that financial compensation is more likely to be appreciated in a situation where the decision is in line with employees' own career interest. Therefore, it is motivating to gain a deeper understanding of the company's ability to influence the decision of relocation and employees' willingness to move. Is it possible to assume that a relocation decision, when not entirely voluntary, is outside companies' control and ability? However, employees' reaction and behaviour is likely to be related to how they perceive organisational support (Eisenberger et al., 1986; Rousseau, 1989). Incentives are often used to retain employees, a subject on which there is extensive research. However, as a plant closure and relocation both have significant effects on an individual's life situation, we believe that the incentives used in day-to-day business may not be appropriate. However, there is little research to support this hypothesis. Our study aims to fill this gap, exploring

employees' evaluations of a company's relocation offer and determining what factors indicate a certain relocation decision, investigating both personal, work and offering characteristics.

As rejection of a relocation offer due to corporate closure results in job loss, the understanding of employees' relocation decision has to gain a wider perspective. Therefore, it is of interest to investigate the determining factors of a relocation decision of employees and their reasoning behind it. In order to understand the employees' perspective, we will include personal values and how the company's offering, such as relocation package, influence the decision.

1.3 Aim

The aim of this study is to identify the determining factors of a relocation decision of employees who are offered relocation due to plant closure. Furthermore, we aim to increase the understanding of the reasoning behind an employee's decision to relocate, commute or leave in such a situation.

1.4 Research question

In the above discussion, we have established that there are many factors influencing an employee's decision to relocate or remain in the current location. In addition, we have pointed to the critical context of plant closure and corporate relocation that may alter the prioritisation of values and perception of organisational support among employees. We want to examine the specific relocation decision and context, thus leading us to the following research question:

What are the determinants of a decision to accept or decline a relocation offer due to plant closure?

To help answer the above question, we have developed three sub-questions.

In order to understand the decision of employees, we need to examine how employees view the relocation offer provided by the company. The first sub-question is therefore as follows:

- a) How do employees value the relocation offer provided by the company?

In addition to their views on the relocation offer, it is likely that employees' valuations of their careers and social lives affect their decision to relocate or not. The second sub-question will therefore concern these personal values.

- b) How does employees' valuation of work life versus social life affect their decision to relocate, commute or leave the organisation?

The third sub-question is based on our investigation of previous research, which has explored personal characteristics of employees choosing to relocate.

- c) How do employees' personal characteristics such as age, sex, family situation, affect their decision to relocate, commute or leave the organisation?

1.5 Limitations

In this paper, we will explore the determinants of relocation decisions of employees. However, due to the limited time available we will only perform one case study of employees from one company currently conducting corporate relocation.

1.6 Structure

In chapter 2, research methods will be explained and discussed in order for the reader to understand how the study has been performed. The chapter will end with a discussion of validity and reliability as other limitations of the study. In chapter 3, the theoretical framework used for this study is presented. Our understanding of relocation decision-making processes is explained and developed in a relocation decision model. In chapter 4, a description of the case of AstraZeneca AB and the closure of their plant in Lund is explored. The chapter also includes a brief explanation of the packages offered to the employees in order to be able to analyse the outcomes of employees' decision. The results of the study, both from the survey and interviews, are presented in chapter 5. The chapter begins with an overview of the distribution of the responses of the survey followed by the interviewees' descriptions of their decision-making process. To sum up the results, the three elements of the relocation decision model are presented in order to show determining factors of employees' relocation decision. Chapter 6 contains a discussion by comparing research and theories with the findings of our study. Similarities and differences are emphasised and possible explanations and conclusions are discussed. The last chapter of this report presents the most important findings, both theoretical and practical implications are suggested and finally the chapter is concluded with reflections of the authors.

Chapter 2: Methodology

In this chapter, we will explain and discuss our choice of research methods. Furthermore, research design and tools will be explained in order for the reader to understand how the study has been performed. Finally, validity and reliability of the study is discussed as well as other limitations of the study.

2.1 Research approach

There are usually two methodological approaches to research: the inductive and the hypothetico-deductive methods. The inductive method begins with collection of data which is then analysed to draw general and theoretical conclusions. Impartiality is of importance for this method; however, as a researcher chooses a certain sample for investigation, impartiality is lost (Wallén, 1996). Moreover, the inductive method can be criticised for only being based on the theory found in the empirics (Wallén, 1996).

The hypothetico-deductive method on the other hand, is a method where theoretical material is the basis for the research performed (Wallén, 1996). Ideally, the theoretical framework should be constructed of basic theories followed by rules of deduction for new theories. Lastly, follow-up theories should be included. From the theoretical material, hypotheses are drawn and tested empirically. When testing theories, it is advisable to do so systematically, testing the influence of different types of factors (Wallén, 1996).

Our choice of research approach is the hypothetico-deductive method, as the aim of our study is to examine decisions of employees and test theories concerning decision-making in the specific situation of corporate relocation. In order to analyse the responses by employees, theoretical material is needed to provide different perspectives as many decision factors are likely to interplay in this specific situation. We will thus need to use previous research to compare with the results of our study. Furthermore, the requirements of a master's thesis involve studies of existing theoretical material, which is a further argument in favour of our approach.

2.2 Research method

The choice of research method is dependent on the subject as well as the aim of the study (Creswell, 2009). Below is a brief introduction to the two methods used in our study.

2.2.1 Qualitative methodology

Qualitative studies are concerned with interpreting observed events, using a theoretical framework to help describe the phenomena occurring. It is a method often used for studying subjective and ambiguous events, such as feelings and experiences, as these cannot be directly measured (Wallén, 1996). The aim differs from quantitative studies, as it is generally not to achieve medical or technical results (Wallén, 1996). The methodology has been criticised for being imprecise and subjective. However, this claim can be met by the argument that it is the type of problem studied that is imprecise, not the method (Wallén, 1996). One of the aims of our study is to investigate correlations between personal values concerning work and social

life and the decision to relocate or not. This involves the exploration of feelings and perceptions and is thus well suited for qualitative methodology.

2.2.2 Quantitative methodology

Quantitative methods can be either experimental or non-experimental (Creswell, 2009). An example of the latter is a survey in which a number of quantitative variables are identified, such as attitudes or number of children of a certain age group. For our study, we want to find out the attitudes toward the relocation offer and the correlations between certain personal characteristics and relocation decision. This type of information can easily be obtained through a survey.

Our study will combine quantitative and qualitative research, first gathering data from a survey followed by qualitative interviews exploring a few individuals in greater detail. As the two methods are combined with the aim of expanding on the findings of one method using another method, the strategy can be seen as a sequential mixed method (Creswell, 2009). The reason for combining two research methods is not only related to an attempt to neutralise the limitations of either method; in addition the results from the survey can help us identify participants and questions to ask for the interviews.

2.3 Collecting data in the research area

In order to base our study on a theoretical framework, which is necessary for our choice of method and the requirements of a master's thesis, we have conducted a thorough search of existing literature. This has given us a good base for forming a theoretical model as well as survey and interview questions. The literature search also provided us with further reason for performing a study such as the current one, as the existing research on relocation offers and related decision making is lacking.

We have searched for relevant articles in several databases, such as Science Direct and Business Source Premier. The keywords used were organisational behaviour and decision-making, motivation and downsizing, motivation and decision-making, employee and relocation, determinants of decisions, predictors of decisions, etc. In addition, we have used the library database GUNDA to search for literature on downsizing, decision-making and theories on motivation.

We found little research on relocation that was not related to expatriation or outsourcing. We believe that there is a gap in research here, as the determinants of decisions are likely to differ when the decision is partly involuntary, as previously discussed. Our study will hopefully add knowledge in this area. In addition, we identified a lack of research on HR strategies for retaining valuable employees during relocation. Most incentive systems to retain employees are developed for the "business-as-usual organisation"; however different incentives may be valued by employees in a relocating organisation.

2.4 Research design

Our study of determinants of decisions following a relocation offer has been performed through a case study of AstraZeneca. The strategy of the company to attract employees at the Lund plant to move to the Mölndal plant is detailed, using company documents and interviews with company representatives. Some of the employees asked to move to the Mölndal plant have been sent a survey to provide us with details on their choice and the reasons for it, as well as their view on the relocation offer. In addition, a small number of

employees were identified from the survey and asked to participate in an interview, in order to probe deeper into their decision. The study thus consists of three parts of both qualitative and quantitative methods. The survey was mainly used to answer our question about certain personal characteristics' potential impact on the relocation decision. In addition, we received an evaluation of the company's relocation offer and information about what factors played the largest role in the decision to relocate or not. The interviews were partly based on the respondent's answers in the survey and in greater detail explored the reasoning behind a certain relocation decision, in order to understand what personal values were weighed into the decision.

2.4.1 Survey of employees

The population for our case study is employees at AstraZeneca in Lund who have been asked to relocate to Mölndal. 225 employees received a relocation offer¹ and 87 people were asked to participate in our survey. The method of selection was formed in cooperation with the site managers at Mölndal and Lund. We used a strategic sample with the aim of securing respondents from three identified groups. In trying to draw conclusions from the survey, we identified three groups that we considered essential for further analysis. There are three possible decision options: accept the offer and move to Mölndal, commute between Lund and Mölndal or leave the company. We believe that it was necessary to identify these groups in the survey in order to answer the research question and draw conclusions from collected data. The purpose of separating the participants was to examine whether their decisions affect their choice and valuation of decision factors.

We based our questions in the survey on previously collected data from AstraZeneca and included the main points from related theories. The survey had a few questions with multiple choice answers. In order to avoid neutral answers, we included questions on the corporate relocation package that only allowed for two responses: "much appreciated" or "not as important". In order to understand the determining factors of a decision to relocate, commute or leave, we divided the survey questions into three categories: employees' valuation of the company offering, employees' personal values and employees' personal conditions. Each category aims to answer the three sub-questions of our research question. The reason for categorising the questions is to investigate if there are any relations between how employees perceive the offer of relocation with their personal conditions and values. A copy of the survey form can be found in the appendix.

The first part of the survey was based on theories and cases in previous research about factors that influence willingness to relocate. The second part was based on AstraZeneca's relocation package offered to employees in Lund. Receiving employees' opinions on this package will help determine whether the package itself was a determining factor of the decision. The third part aimed to give us an overview of personal conditions to draw conclusions about how these conditions affect employees' decisions. The literature on job transitions (e.g., Nicholson, 1984), geographical transfers (e.g., Noe and Barber, 1993), voluntary turnover (e.g., Cotton and Tuttle, 1986), as well as previous work on corporate relocation (Turban et al., 1992), suggests that there are five sets of variables which might influence employees' willingness to move during corporate relocations. They are: (1) attachment to the present community; (2) demographic status; (3) attachment to the current organisation; (4) lack of alternative job opportunities; and (5) attraction to the new community. These variables will form the basis for the questions asked in both the survey and the interviews. Demographic status is easily explored through simple questions in a survey, which is why we have chosen to do so. The

¹ Interview with AZ HR representatives 18/3/2011

other variables are of a more complex nature and are thus better suited for investigation through interviews.

2.4.2 Interviews with employees

From the respondents of the survey, we used a strategic sample to identify a small number of respondents to be contacted for interviews. We interviewed eight employees with the aim of gaining a deeper understanding of how they came to the relocation decision they had made. We conducted semi-structured interviews of employees who have been offered new jobs at the Mölndal plant. The respondents were employees from the three different types of decision groups identified: moving to Mölndal, commuting to Mölndal or leaving the company. The reason for using a strategic sample is that we wanted to interview men and women as well as respondents from the three strata mentioned above. In order to receive as honest answers as possible, we guaranteed the respondents that their answers would be anonymised in any formal and informal material and discussions.

2.5 Choice of research tools

As we were interested in finding out how employees value the different elements of the relocation package, a survey is well suited as it is an easy way of obtaining this information from a large sample of people. If the survey is designed and carried out satisfactorily, with high reliability and validity, we can draw conclusions from the sample that can be applied to the population. In other words, we can estimate how many percent of the employees at Lund appreciate a certain element of the relocation offer and find correlations between personal characteristics and certain decisions.

Our sample of the employees at AstraZeneca in Lund were compiled by the AstraZeneca site manager in Mölndal and one of his colleagues from the HR department with insight into the relocation decisions of employees. The sample is mainly of employees from a specific department Clinical Research². There is thus a potential issue as the sample is not random and only represents one department in an organisation. However, as we asked specifically for a sample containing employees from the three groups (relocating, commuting and leaving the company) in order to achieve the aim of our study, we do not believe the non-random sample will negatively affect the results. In addition, having employees from one department may not appear representative of the population; however the population in this case is the employees that have been offered relocation. Several professions are represented and therefore we do not believe that including employees from a different department would significantly alter the results. One potential risk is that researchers within one department discuss the relocation offer and share their feelings with one another, allowing for certain opinions to be spread and repeated by others. This may cause bias in the results. We believe, however, that there is discussion between employees from different departments. Thus the bias that may occur will occur no matter what.

The reason for the choice of semi-structured interviews is the potential of gaining both quantitative and qualitative information as well as a range of insights from the respondents on the specific issue being discussed. It also allowed us to probe deeper into the reasons for the answers given in the survey. As the issue of relocation and job loss is sensitive for many people, an interview format allowing for two-way communication may seem less intrusive to the respondents. However, we do also see some potential problems concerning this choice of method, as we are both inexperienced interviewers. This may have caused us to ask leading

²Peter Nyström, email correspondence 11/04/2011

questions and fail to probe into interesting answers. Furthermore, the open format of a semi-structured interview may lead to difficulty comparing answers of different respondents. However, this problem can be managed through careful and thorough analysis of the material. In addition, the aim of the interviews was to gain information about the reasons for the answers given in the survey in order to deepen the study. In the survey, quantifiable answers have already been gathered and compared, thus diminishing the need for comparable information. Also, both authors were present at the interviews, with the aim of gaining two perspectives when analysing and reflecting upon the answers. This also helped us diminish the risk involved in having inexperienced interviewers, as we will then have the advantage of two people's analysis of the respondent's answers. Another potential problem with the chosen format is that the interviewer will always influence the interviewee as the format is a face-to-face interview. Exactly how this affected the interviewee's answers is difficult to predict.

2.6 Conducting the study

In this section, we will present how the survey and interviews were performed.

2.6.1 Conducting the survey

A survey was sent to 87 people in Lund who have been offered a new job at the Mölndal plant. The list of names was provided to us by Peter Nyström, site manager in Mölndal. 67 usable surveys were collected after two reminders. One of the employees on the list of 87 people contacted us as he worked at the AZ plant in Södertälje and was thus not relevant for our study. His name was removed from the list. Due to an error in the setup of the online survey, the first seven respondents were unable to fully answer the question related to their valuations of the relocation package. Therefore, only 60 respondents have fully rated the relocation package.

2.6.2 Conducting the interviews

The interviews with employees were conducted on March 16th-17th at the plant in Lund. In addition, we performed a telephone interview with one interviewee and a face-to-face interview in Mölndal. We were able to interview 8 employees, 3 from the group that had chosen to move to Mölndal, 2 who had chosen to commute to Mölndal, and 3 employees who were planning on leaving AstraZeneca. The interviews were recorded using an electronic voice recorder and notes were taken by both authors during the interviews.

2.6.3 Processing survey and interview material

The information retrieved from the survey was processed using the online survey tool WEBROPOL and the accompanying statistical analysis program.

When processing the interview material, we grouped together similar answers according to a number of themes that had been selected using existing research on relocation and decision-making. An edited transcript of the interview was then sent to each respondent, allowing for comments on potential misunderstandings. Five of the interviewees had minor comments on the wording; however overall the edited transcripts were seen as representative of the interviewees' answers.

2.6.4 Analysis of survey and interview material

In the analysis of the answers given in the survey, cross tabulations were made, using different personal conditions and relocation decisions as bases for comparing views on determining factors. When analysing employees' valuations of the relocation offer, we

compared the answers from the three decision groups. The interviewees' decision-making processes were analysed using different themes drawn from the literature.

2.7 Reliability and validity of the study

When discussing how the study was conducted as in the previous section, it is also necessary to discuss the concepts of reliability and validity and how these concepts can be related to our study.

2.7.1 Reliability

Especially quantitative studies are often measured in their terms of reliability (Troost, 2005) although this can also be applied to qualitative studies. The term reliability is related to the degree of trustworthiness of the study, in the sense that a study can be repeated at a later time and the same results as the original study can be obtained (Troost, 2005; Wallén, 1996). There are four components of reliability that can be measured. These are 1) congruence, which means how similar questions are that measure the same aspects; 2) precision, i.e. how precise the interviewer or respondent is in registering answers; 3) objectivity, which relates to how similar interviewers are in their manner of registering answers; and 4) constancy, i.e. the attitude or phenomena being measured do not change over time (Troost, 2005).

In our study, we have achieved a satisfactory level of reliability through the following actions. In the interviews, we have found after thorough analysis and discussion a number of themes with sub-questions that concern the same topic in order to obtain high congruence. Precision of the survey is achieved through a simple layout, which we believe we have achieved. In the interviews, both authors took notes and recorded the interviews to place answers under the correct theme. This should also increase objectivity. Objectivity of the survey is achieved as answers are transferred into a statistical analysis program. As we are studying an on-going process, employees' arguments and answers may have changed throughout the process of decision-making. This may have decreased the level of reliability in our study. In addition, congruence may be lacking in the survey as we do not have several different questions covering the same topic.

2.7.2 Validity

Validity normally refers to how appropriate the measurement tool used is for measuring a certain object, attitude or phenomenon (Troost, 2005). For example, if a researcher is interested in finding out how many times per week people exercise, the question should specify number of days per week, not using terms such as often or seldom as this will cause a bias due to the attitude to exercise.

An issue that may decrease both the validity and reliability of our study is one of the questions in the survey. In order to find the most important factors behind a decision to relocate or not, we asked the respondents to choose three factors from a list of options, including pay, family concerns, career opportunities, etc. However, as we could not in detail specify exactly what is meant by some options, such as "family and friends", this may cause some respondents to choose this option for different reasons. Some may perceive it as they value closeness to family and friends and therefore do not choose to relocate, others may perceive it as their ability or opportunity of making new friends in Mölndal. There are other interpretations to this and other similarly worded options that may cause confusion and lower reliability. This was considered when writing the options. However as it was impractical to include all interpretations of "family and friends" as options, it was decided that we probe deeper into this question during the interviews.

2.8 Limitations of the study due to research design

There are some limitations to our study due to the chosen format of a case study, using a survey and semi-structured interviews. Some of these limitations have already been mentioned above. However below is a more in-depth discussion of their impact on the study.

2.8.1 Assignment by AstraZeneca

The first issue to discuss is the fact that we performed this study in cooperation with AstraZeneca. Although we approached the company suggesting the ongoing corporate relocation as an interesting area of study, the specific question of the employees' view on the relocation package was requested by AstraZeneca. Having their employer as a principal may cause suspicion among the potential respondents if they do not trust our impartiality, leading to fewer responses and/or dishonest responses. However, we did not experience any suspicion and believe that the answers we obtained were honest. Another potential issue is whether the principal wants to influence the study in any way, such as the questions asked or the size of the sample as this may not correspond to the researchers' opinions (Trost, 2005). In our case, we argue that we maintained high ethical standards including impartiality and confidentiality. However due to practical issues, the size and sample of respondents have been provided by AstraZeneca. It is also important to note the process of selection for potential respondents of our study, where several steps can be identified. First, there was only a limited number of employees who were offered relocation, second, the site manager of AZ Mölndal selected a small number of employees from this group as potential respondents of our study. Therefore, the respondents of our study does not represent the company at large, neither are the results representative for employees in other organisations.

2.8.2 Case study

Performing a case study will only have a limited explanatory effect, as only one organisation will be investigated. In addition, we have only interviewed a very limited number of people. Our results will therefore not be representative of all organisations or even all employees within the specific organisation studied. The method is descriptive, not explanatory, and we can therefore not draw definite conclusions about cause-and-effect relationships. The results achieved in this study may, however, show tendencies of certain relationships. In addition, as we will base our results on the information given by a limited number of employees, important details may be left out. Furthermore, the answers given to us will be retrospective, and are thus potentially subject to problems inherent to memory.

2.8.3 Survey

The sample of the employees was given to us by AstraZeneca. It is important to note that this type of sample is not representative in the statistical sense as it is non-random (Trost, 2005). Moreover, a sample of 67 respondents is a small one. This may increase the sampling error and also imposes limitations on the generalisability of our study. Furthermore, as 20 employees failed to answer the survey, this may have affected the results if these employees had significantly differing views of the relocation offer and the decision-making process concerning this. Although the number of respondents can be seen as sufficient for some conclusions (Trost, 2005), the small number of respondents can affect our analysis of the results. When performing multivariate analyses, as we have done, we do not have enough respondents in each cell to draw conclusions about the population. When searching for correlations between sex and type of decision, we thus had two times three cells (two sexes and three types of decisions), i.e. six cells. With only 87 potential respondents in total, it is obvious that we did not have at least 50 respondents in each cell as recommended (e.g. Trost, 2005).

Among the respondents of our survey, 90 % have completed a university degree and the significant majority were Swedish. In addition, 90 % were either married or living with their partner. The sample can therefore be seen as homogeneous in terms of education, nationality and marital status, which limits the generalisability of the results. On the other hand, having a well-educated, homogeneous group can also lead to greater accuracy in our predictions as the respondents will face similar discussions with their partners about potential relocation and have similar job alternatives available to them if they decide to leave AstraZeneca. Moreover, having respondents of mainly Swedish ethnicity may increase understanding for this specific group and their relocation decisions.

2.8.4 Semi-structured interviews

Similarly to the survey sample, the sample of respondents for the interviews was non-random. We have chosen a strategic sample of interviewees representing the three decision groups as we want to further explore any potential differences in valuations of employees' decisions. Thus the results obtained are not statistically representative (Troost, 2005).

In sum, this chapter presented our choice of methods and the reasons for doing so. In the study, we have used both qualitative and quantitative methodology. Correlations between personal values and personal conditions are drawn from the quantitative part of the study. The qualitative method on the other hand, provided a deeper understanding of the reasoning behind employees' decisions to relocate, commute or leave the organisation. Limitations of the study include the nature of the specific situation examined and the small sample of employees that were selected for relocation and participated in our study. Before we present and analyse the results of our study, a theoretical framework is presented.

Chapter 3: Theory

Chapter 3 includes an introduction to the theoretical framework used for this study. A model is presented, showing our view on the decision-making process concerning a relocation offer. Thereafter, the elements of the model are discussed in more detail, on the basis of a theoretical review.

3.1 Theoretical framework

In this section, we will present and review the key theories within the topics relevant to our study, in order to discuss how our study will fit in with previous research. By doing this, it will also be possible to identify how our research can contribute to the existing knowledge base. The relevant literature will be presented below under sub-headings that are topics related to our research question.

3.1.1 Introduction to theoretical approach

Below is a model of how we see the employees' decision-making process concerning the decision to relocate or not and how the relocation offer is directed at influencing different parts of the employees' decision factors. The basis for this model is previous research, which is described below. How relocation decision processes are formed and developed, in situations where workers are facing relocation or job loss, has not been discussed in previous theories. Therefore our model attempts to describe the different elements of the decision.

3.1.2 Relocation decision model

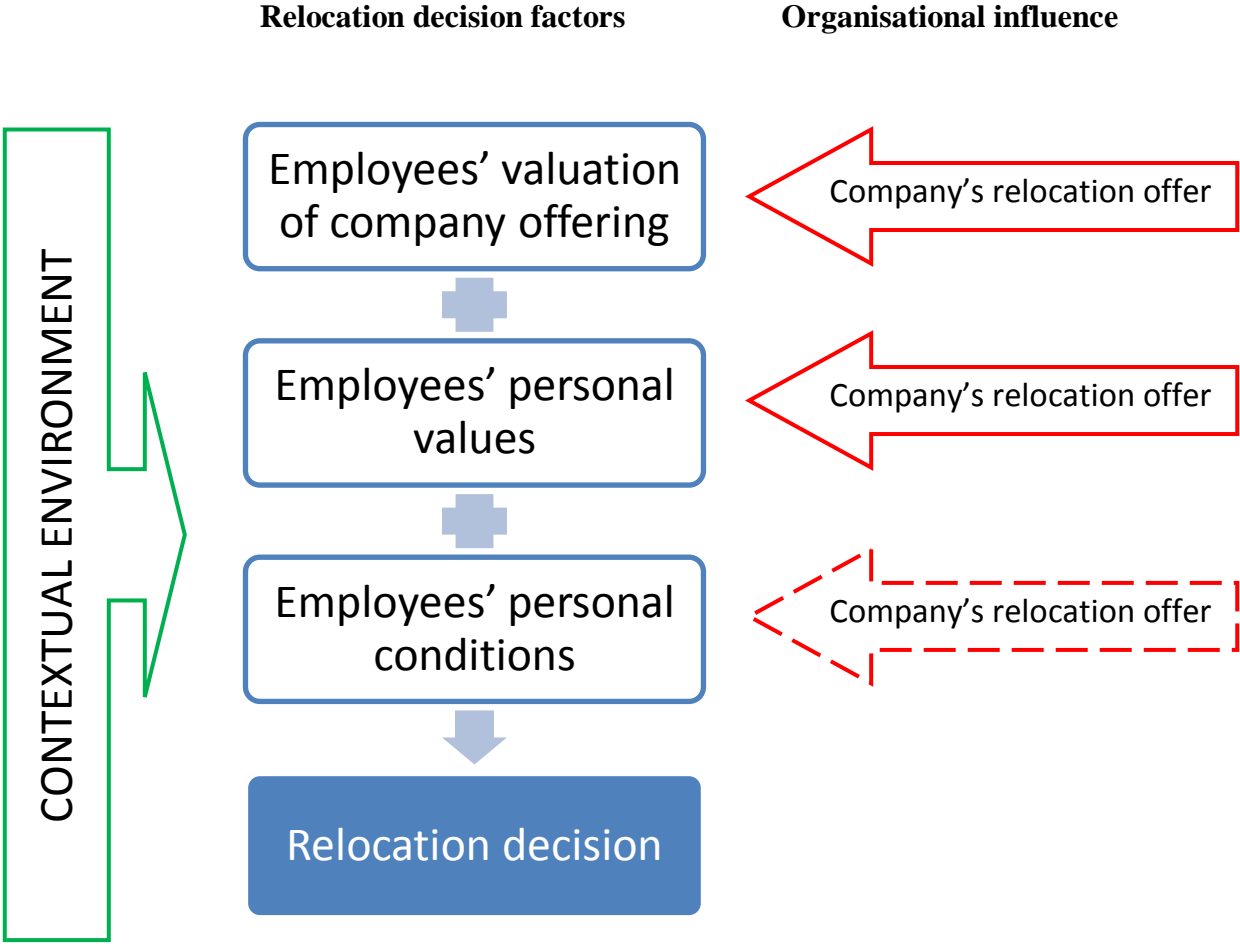


Figure 1 Relocation decision model

3.1.3 Basic assumptions

This model aims to describe factors that affect employees’ relocation decision, the outcome of which can be to relocate, commute or leave the organisation. In order to answer the question what are the determinants of a decision to accept or decline a relocation offer, we have identified three relocation decision factors through our research review: employees’ valuation of company offer, employees’ personal values and employees’ personal conditions. It is assumed that employees faced with an offer to relocate have a positive or negative view of the company offering, including the relocation package. In addition, the employees’ own values and conditions are considered to form a decision that corresponds to their view of the company and relocation package, one’s values and personal conditions.

The model is based on limited rational decision-making. Rational decision-making assumes that people choose among alternatives by considering their consequences and selecting the alternative with largest expected return. Alternatives are compared in terms of the extent to which their expected consequences are thought to serve the preferences of the decision-maker (March, 1994). In order to understand how people value different alternatives and their consequences, rational choice theory emphasises the importance of knowing what actions are possible. Rational theory assumes that decision-makers choose among alternatives and their

expected consequences. However, those consequences are not certain. Limited rationality was developed as not all alternatives, consequences and preferences are known (March, 1994). According to the reasoning above, the model assumes limited rational behaviour where employees will evaluate consequences of these relocation decision factors in order to make a decision to relocate or not.

3.1.3.1 Reinforcement theory to explain the arrows

As explained above, we assume that limited rationality guides the decision of an employee to relocate or not. In this decision, we have identified three main relocation decision factors which are explored in greater detail below. First, however, we will explain our view of the role of the relocation offer in influencing the relocation decision factors. As an organisation offers certain employees continued employment at another plant, we assume that the desire of the organisation is to retain these employees for their specific competences. The relocation offer is a means of doing so by encouraging desired behaviour (a positive relocation decision). Reinforcement theory suggests that desired behaviour is encouraged through incentives, whereas undesired behaviour is suppressed through the withholding of incentives (Skinner, 1953). The alternative to relocation is to lose one's job; however, this is also associated with certain benefits such as severance pay. However, severance pay is regulated by law and can thus perhaps not be seen as an incentive by the company to encourage certain behaviour. In addition, the incentive which is even greater than the relocation offer is perhaps the continued offer of employment, further supporting the statement that continued employment and relocation package are more beneficial than severance pay.

The relocation offer is a tool used by the company to attain the desired outcome. Specific parts of the offer are aimed at influencing the relocation decision factors in different ways. How this may be done is detailed below. Firstly, however, it is also important to note the influence on decisions the specific context may have. Research has suggested that the type of move influences the views of the decision-makers as different destinations make a difference (Noe & Barber, 1993). Other contextual factors include the current economic environment and the specific pre-conditions of the country studied, such as existence of child care and unemployment benefits. The contextual environment is briefly reflected upon in the analysis, however it is not further explored in this study.

3.2 Employees' valuation of company offering

When making a decision about one's future in an organisation, employees are likely to evaluate the organisation itself and their roles in it. Questions that are likely to be considered by the employees concern the future of the organisation post-downsizing, what career opportunities may be offered and how the organisation will support and commit to an individual employee. One aspect in the overall offering of the company is the relocation offer. The relocation offer will be evaluated by employees, weighing its advantages and disadvantages. However, this specific part of the offering is likely to be put in a larger perspective where the entire organisation's offering is evaluated. This evaluation may be affected by a number of aspects of which we have chosen a few that we believe may be of great impact. First, a decision to downsize an organisation and relocate parts of it can affect employees' view on the organisation and alter their behaviour (Appelbaum, Simpson & Shapiro, 1987). Some employees have been asked to continue their employment within the company whereas others have been laid off. This may cause some resentment and conflicting feelings among employees which may be shown in the workplace (Appelbaum, Simpson & Shapiro, 1987). Second, the reaction of employees is likely to be related to how they perceive the organisation's support and obligations toward them (Eisenberger et al., 1986; Rousseau,

1989). Third, these perceptions are probably weighed into an analysis of the costs and benefits related to relocation, such as career and family considerations. Social exchange theory (Thibaut & Kelley, 1959) posits that all human relationships are evaluated through a cost-benefit analysis where alternatives are compared to each other. This goes hand in hand with rational decision-making theory (March, 1994), which has already been discussed. Therefore, a deeper review of cost benefit analysis and social exchange theory will not be performed in the following sections.

3.2.1 Organisational support and commitment

Allen, Shore & Griffeth (2003) discuss perceived organisational support as a determining factor in an employee's decision to leave an organisation. It was found that the decision to leave is influenced by how the employee perceives organisational support rather than his/her motivation and level of satisfaction. If employees participate in decision-making, experience fairness of rewards and are aware of their career opportunities, they will perceive organisational support as very high (Allen, Shore & Griffeth, 2003). In line with this reasoning, HR functions have the ability to increase employees' satisfaction of organisational support, by investing attention to employees in order to encourage them and their work. Managers' encouragement and involvement of employees is a factor in how employees perceive organisational support (Allen, Shore & Griffeth, 2003). Related to organisational support is the employees' feelings of attachment to the organisation, which has been found to significantly relate to willingness to relocate during corporate relocations (Feldman & Bolino, 1998).

3.2.2 Managerial support

Purcell and Hutchinson (2007) discuss how intended practices from top management are converted into actual practices as managers communicate to employees. Actual practices become perception of practices which influences employees' behaviour. This logical reasoning in how employees experience HR practices affects their attitudes toward the organisation is also suggested by the social exchange theory, which assumes that positive attitudes lead to higher commitment towards the organisation. According to a study by Guest and Conway (2004), supervisory leadership was the most important factor explaining organisational commitment and positive psychological contracts. Employees respond both to HR and their manager's leadership behaviour. Purcell and Hutchinson (2007) suggest that managers are important in helping to create and/or influence the impressions of the organisation.

3.2.3 Psychological contract theory

Psychological contract theory was developed by Rousseau (1989), complementing traditional transaction-based models of motivation. It is based on the argument that a mutual relationship develops between an employee and an organisation and both parties are expected to fulfil their obligation. The contract that develops between the two parties may be written or unwritten, overt or subtle. The longer the tenure and the higher the degree of seniority, the stronger the contract is perceived to be (Rousseau, 1989). In a psychological contract, Rousseau (1989) suggests that the more overt a promise is (e.g. in writing), the stronger is the individual's belief in the existence of a contract. In addition, the belief in a contract will be stronger if a promise is made before a contribution is made, such as a promise of a raise for higher performance before the individual begins to make an effort to perform better (Rousseau, 1989).

To manage employment relations during a change process, Rousseau (1989) suggests that efficiency will be achieved if the relationship that exists with employees is acknowledged and

focus is put on maintaining this relationship through fair communication. In addition, the perceived obligations and expectations of employees should be assessed as the conditions of the employment will change along with an organisational change. Psychological contract theory thus suggests that full-time employees with a long tenure may experience a stronger feeling of betrayal and loss of trust when the contract is violated, which would be the effect of a plant closure. However, the relationship with employees can be managed by the organisation through acknowledgement and communication.

The link between employees' experience of HR practices and their attitudes toward the company, seen in affective organisational commitment, is suggested by social exchange theory where organisational support seen in HR practices is rewarded by higher organisational citizenship behaviour and retention (Eisenberger et al., 2002). The question remains after these insights in both social exchange theory and decision-making theories whether people's actions could be understood by the assumption that people behave rationally in the sense of choosing the alternative of the highest value for them, as defined by Simon (1945, 1977). In the following sections where theories about company strategy are discussed, the perspective of rewards is included. In line with the assumptions of social exchange theory, rewards might explain the outcome of the decision.

3.2.4 Financial rewards for relocation

As the relocation package includes financial reward, it is important to understand how employees are expected to respond to this. Turban et al. (1992) identified a positive relationship between a relocation decision and financial rewards. Another study found that financial rewards have different outcomes on the decision to relocate depending on the income of the employees. Compensation has a higher influence on the decision to move for employees with higher-than-average income (Gould & Penley, 1985). The study posited that people with higher wages are generally in a better position to accept relocation opportunities since relocation also involves a financial risk.

It has been found that family support is a very strong factor in predicting relocation, as strong family support was found more often among movers who relocated due to plant closure (Sagie, Krausz, Weinstein, 2001). Fox and Krausz (1987) also found a strong correlation between intention to relocate and the perceived attitudes of the family, suggesting that the organisation may be more successful in its attempts to influence employees to relocate if efforts are also directed at their spouses and children.

Put together, employee perceptions of the organisation, as affected by the decision to downsize, the existing attachment to the organisation and commitment by an employee and the specific incentives part of the relocation offer, define an employee's valuation of the organisation's overall offering. One can expect a willingness to remain in the organisation if an employee perceives the support from the organisation as positive, possibly through the support of a manager, and if the psychological contract to the organisation is perceived as strong despite the organisation's decision to downsize. In addition, support from the family and a positive view of the financial rewards related to relocation ought to increase willingness to relocate, although the latter statement may mainly be applicable to high-earning employees.

3.3 Employees' personal values

In trying to understand how employees' personal values influence their decision, motivation theory might be used as a suggestion of what is important for individuals. Personal driving forces and ambitions could be an indication of what employees value in a specific situation

where different values will be prioritised during certain situations. On the one hand, if the work place has the ability to realise personal values, employees will be satisfied (Locke, 1976). In this situation, work life might be of high importance. On the other hand, if personal driving forces and ambitions are expressed outside the workplace, social life will probably be valued higher than career opportunities (Ferriman, Lubinski & Benbow, 2009).

3.3.1 Driving forces

A recent study suggested that non-material and highly emotional values are listed as something very important for people in challenging times. It can be linked to previous theory such as Maslow's hierarchy of needs (1954), which also states that personal needs like love and belonging are essential (Marques, 2010). In accordance with previous research on the effects of downsizing on employees (e.g. Appelbaum, Simpson & Shapiro, 1987; De Meuse et al., 2004) which has indicated how traumatic some employees experience downsizing, we can expect to see strong emotions and a change in values in the employees interviewed for this report.

Value theories complement needs theories (Furnham, 2005), as value theories suggest that different people respond differently to the same benefit. Maslow's hierarchy of needs (1954) proposes that a decent pay will satisfy certain needs. However, value theories suggest that some people place higher value on monetary benefits and will therefore mainly work for the purpose of pay and be satisfied by a high salary. This has implications for the strategies adopted by the organisation, as equal benefits can be offered to two employees, which may provide satisfaction of basic needs. However, the response of the employees may vary greatly. Therefore, we expect to see differing valuations of the relocation packages depending on how employees value monetary benefits and social assistance.

3.3.2 Rule-following

Another possible explanation of how employees' values are expressed in a decision-making process is related to rule-following. People identify themselves with different roles (March, 1994), depending on the situation, which could indicate whether work or social life is prioritised. One possible way to evoke an identity is by following social expectations and act according to these (March, 1994). Expectations are created and formed by the environment. Managers, who are part of the environment, have a potential ability to influence these expectations and consequently also employees' choice of identity. Individuals adapt to rules of behaviour from families, schools, religious groups, etc., in addition to companies. To make a decision within logic of appropriateness, decision-makers need to be able to determine what their identities are (March, 1994). An identity can be evoked through a number of mechanisms, for example by having done so in the past or recently, by being a central aspect of the self or by conforming to social expectations (March, 1994). Depending on what identity is assumed, different decisions are expected. To exemplify, a female employee can primarily identify with the role of a mother, possibly due to social expectations and thus choose not to commute as this would harm her relationship with her children.

In sum, employees may put greater emphasis on their work life or social life, possibly depending on which role they identify themselves with. Depending on which aspect of life is more highly valued, an indication of the outcome of the decision to relocate or leave the organisation can be shown.

3.4 Employees' personal conditions

The third box in our model concerns employees' personal conditions, such as age, sex and family status. As one can easily imagine, a decision to relocate or not is affected by potential family members' views and conditions. Married employees need to consider the needs and careers of their spouses, and employees with children are likely to consider their well-being in a decision that will affect the whole family. Another factor which may affect the decision to relocate or not is the age of the employee, which may also be related to family status, commitment to the organisation and the current community. Other personal conditions that have been found to influence relocation decisions are discussed in more detail below.

With regard of age, most research has concluded that younger employees are more willing to relocate, both as a result of plant relocation and individual transfer (Feldman & Bolino, 1998; Sagie, Krausz & Weinstein, 2001; Brett, Stroh & Reilly, 1993; Gould & Penley, 1985; Landau, Shamir & Arthur, 1992; Eby & Russell, 2000). Age may also be related to tenure, which supports the above statement by showing that employees with long tenure are less willing to relocate in the event of a plant closure (Cotton & Majchrzak, 1990; Feldman & Bolino, 1998). We expect to see a greater willingness to relocate among male employees, unless the female employees are the main providers in their households, in which case women will be equally prone to relocate (Turban et al., 1992; Breen, 1983; Markham & Pleck, 1986; Markham et al., 1983; Brett & Stroh, 1995), although some studies examining relocation as part of corporate relocation find no relation between sex and relocation decision (Cotton & Majchrzak, 1990; Feldman & Bolino, 1998). However, when reviewing the group married women, Cotton & Majchrzak (1990) found less willingness to relocate. Employees with a working spouse and children, are less likely to relocate (Turban et al., 1992; Landau, Shamir & Arthur, 1992). However the influence of spousal attitudes is debated (compare Noe, Steffy & Barber, 1988 with Brett, Stroh & Reilly, 1993 and Eby & Russell, 2000). Perhaps this is dependent on the quality of marriage, as stable marriages may lead to a greater willingness to relocate (Araji, 1983). Although having children has been found to be negatively related to willingness to relocate (Eby & Russell, 2000), Turban et al. (1992), examining relocation due to corporate relocation, found that having children in high school (approximately aged 12-18) actually increased likelihood of relocation. Other studies, both those examining relocation as individual transfers or due to corporate relocation, found no relation between children and willingness to relocate (Cotton & Majchrzak, 1990; Feldman & Bolino, 1998; Fox & Krausz, 1987; Brett & Reilly, 1988; Gould & Penley, 1985). We can thus not conclude what impact having children will have on employees' decisions.

Furthermore, we expect that employees that relocate have an income above average and/or are managers (Gould & Penley, 1985; Hendershott, 1995). In addition, the employees that relocate have a strong interest in career development (London, 1983, 1988; Hill and Miller, 1978). Finally, employees who are very happy in their current community are not as likely to relocate (Noe & Barber, 1993). Neither are employees who have parents living in the community, strong affective commitment to it and who have lived there for a long time (Feldman & Bolino, 1998).

In sum, the employee most likely to relocate will be younger and have short tenure, be male, in a single-earning and/or stable marriage, have an interest in career development and a high income as well as not being strongly committed to the current community. We have chosen to present the company's relocation offer in a broken lined arrow next to the box of personal conditions. The reason for this is that personal conditions such as age and family status cannot be directly affected by the company; however, some aspects of the relocation offer are

intended to facilitate personal conditions which may otherwise prove an obstacle to a positive relocation decision. Such aspects include support for accompanying spouses.

In the following chapter, we introduce the case examined in this study.

Chapter 4: Case Description

In this chapter, we present the case explored in this study: AstraZeneca AB and the current restructuring process which involves the closure of the AZ plant in Lund. In addition, an introduction is made to the packages offered to the employees in order to increase the number of people relocating from Lund to the plant in Mölndal. Finally, the outcome of the relocation strategy is briefly explained.

4.1 AstraZeneca AB

We will investigate the case of AstraZeneca AB, henceforth referred to as AZ. The background of the company and the current events are explained below.

AZ is a global biopharmaceutical company that performs research, development, manufacturing and marketing of medicines. The company was formed in 1999 after a merger between Astra AB of Sweden and Zeneca Group PLC of the UK. The headquarters of AstraZeneca PLC are located in London and AstraZeneca AB's headquarters are in Mölndal, Sweden. AstraZeneca AB is responsible for the administrative work in Sweden and the coordination of their research departments, which are located in Mölndal, Lund and Södertälje.

In 2009, the top management announced a global restructuring plan in an attempt to develop the company's strategic work. The aim was to gather researchers to the facilities in Mölndal to encourage a climate of innovativeness and creativeness. One of the results of the restructuring plan is the closure of the plant located in Lund, which will be completely closed at the end of 2011. The decision to close the plant in Lund was announced in March 2010, and at the time operations in Lund involved approximately 850 employees, both within research and development as well as various support functions. As a consequence of the restructuring of the organisation being a global process, the entire organisation will be affected. In Lund, some departments will remain the same with regard to number of employees and work tasks, although the employees will need to relocate. Other departments will be downsized, which will lead to employees being made redundant. Employees not offered relocation to Mölndal as part of their jobs are able to apply for jobs in the new organisation and participate in a traditional recruitment process. In total, AZ Lund has offered 225 employees relocation contracts³. Some of the employees who have been offered to relocate, have chosen to move to Mölndal, others have chosen to commute and there are some that have left AstraZeneca for new job opportunities or other activities.

AZ has developed a strategy for attracting employees to relocate to Mölndal. This strategy is global and was developed by benchmarking against other global companies⁴. The relocation package, commuting package and severance pay will be described below in order to investigate the impact of the company offer when employees make their decision. It is essential to know what the determining factors are for the employees in Lund, in order to

³ Interview with AZ HR representatives, 18/3/2011

⁴ Interview with AZ HR representatives, 18/3/2011

attract both in this specific situation and in future similar situations. Therefore it is of interest to examine the determining factors behind employees' decision to relocate, commute or leave.

4.2 The company offerings

In the process of restructuring the organisation, some employees have been “mapped”, which means that they have been offered the same jobs in the new organisation. The relocation and commuting packages aimed at attracting as many employees as possible and making it easier for families to follow. The relocation package was presented first, however after some reactions from employees, HR developed the offer and included a commuting package. AZ also offers a severance package for employees who decide to leave the company. The details of each offer are presented below in order to create an understanding of what alternatives the employees were faced with.

4.2.1 Relocation package

As the decision was made by the top management in AZ that the plant in Lund should be closed down, the following relocation package was formed. The relocation package was given to all employees who decided to move to Mölndal. Employees who sign the relocation offer have to prove after one year that they have moved to Mölndal by showing proof of house purchase or rental contract. When a contract has been presented, a moving bonus is paid out. During the first year it is possible to receive financial support for commuting and double accommodation. In the beginning there was a requirement to be registered at the local authority in the area of Gothenburg, in order to receive the moving bonus. This has been changed after discussion between HR, unions and employees.

4.2.2 Commuting package

The purpose of the commuting package was to give financial support to one or a maximum of two years for employees who decide to commute to Mölndal. After these years of commuting, employees can choose to continue to commute without any financial support from the company, leave the company or move and continue working for AZ without receiving a moving bonus or other benefits from the relocation package. The different components in the offer are presented below together with a short explanation.

Moving bonus	12 months salary, given in one payment once a contract of purchase or rental is presented
Moving grants	1.5 prisbasbelopp
Reimbursement for moving costs	The company pays for removal company costs and other costs related to the move
Two days off	Employees are offered two days off on full pay in order to search for accommodation in Mölndal
Reimbursement for costs incurred when selling/buying property	Brokerage fees are reimbursed
Job coach for partners	Partners will be offered job coach in order to find a job in the area

Compensation for commuting	For a limited period of time, the company offers travel compensation for employees who commute while looking for permanent accommodation in Mölndal
Travel compensation when commuting <i>(commuting package)</i>	A certain amount paid out to cover travel costs
Compensation for double accommodation <i>(commuting package)</i>	Accommodation at a hotel is offered for the first six months, after which AZ provides assistance to find temporary accommodation or pays 20 000 SEK (gross) per month

Table 1 Relocation and commuting package

4.2.3 Severance package

The severance package is individually accommodated, but based on collective agreements. The size of payment, period of notice and other benefits such as a pension plan partly depend on time of employment and partly on age. In general, if employees have worked at AZ for more than 10 years, they will receive six months' notice with no requirement to work. After this, employees receive 10 months' salary in one payment or divided into many payments. The details of the severance package were finished during 2006 and have not been affected by the restructuring process. In addition to financial support, employees at the plant in Lund were offered career days, yoga classes, assistance with CV writing and other workshops in order to help the employees affected to cope with the closure.

4.3 Outcome of the relocation strategy

According to the HR specialists at AZ that we have spoken to, there was a general understanding among management that relocation strategies due to a closure of a plant would only typically attract around 10% of the employees. Anything over 10% would therefore be seen as successful. Every department made its own prognoses, however there were no official numbers presented. At the time of writing, there are still negotiations with certain key employees that AZ wishes to retain. Of the 853 employees who were employed at AZ Lund at the time of the announcement of the closure, 161 have signed contracts to either relocate or commute to Mölndal⁵. This corresponds to almost 19% of the employees. Some natural attrition can be removed from the 853 employees, as some retired soon after the announcement of the closure. Another 22 employees from the plant in Södertälje were also offered relocation to Mölndal and accepted it. It was also pointed out by the HR representatives of AZ that the majority of employees at AZ Lund have very long tenure, as 80% of the 853 employees had been employed at AZ for more than eight years⁶.

In this chapter, we have presented the case and the starting point for our study. In the following chapter, we will present the results of our study.

⁵ Interview with AZ HR representatives, 18/3/2011

⁶ Interview with AZ HR representatives, 18/3/2011

Chapter 5: Results

In this chapter, we will present our results in five themes. First, the distribution of the responses of our survey is presented. Second, the decision-making processes of our interviewees are described. Third, the three elements of the relocation decision model are presented under separate headlines: employees' valuation of the company offering, employees' personal values and employees' personal conditions.

5.1 Introduction

This chapter begins with an overview of both the survey and interviews, with the purpose of showing the decisions of the respondents of our survey. This is followed by a table designed to give an indication of how relocation decision and personal conditions are related to each other. Our structure of presenting the results is in line with our relocation decision model. The model is based on limited rational decision-making (March, 1994) which suggests that people choose among alternatives by considering their consequences. Therefore, we asked the interviewees to describe how they made their decision and their stories are presented below. Furthermore, the model assumes, in line with reinforcement theory (Skinner, 1953), that desired behaviour will be encouraged. The relocation decision model describes the company's relocation offer and their support in a restructuring process of the organisation which will influence how employees evaluate the offer and the organisation in itself. Therefore we asked the interviewees to describe their relation to managers and the organisation.

In order to answer the question what determines a decision to accept or decline a relocation offer, we have identified three relocation decision factors through our research review: employees' valuation of company offer, employees' personal values and employees' personal conditions. These three factors will be used as headlines in trying to structure our results from both the survey and the interviews. The answers received from the survey and interviews are presented by using cross-tabulations to find possible patterns. Lastly, a summary of the results is presented in order to give a quick review of the findings of our study.

5.2 Relocation decision

In the first section below, a brief introduction to the distribution of responses is presented. This will provide an overview and background for the reader when further results are presented below.

5.2.1 Insights from the survey and interviews

The majority of respondents of the survey belonged to the Clinical Research and Pharmaceutical departments, which consist of several sub-departments. The respondents represented a number of different sub-departments and positions, which was also the case with our eight interviewees. 87 people were asked to participate in a survey where 67 people responded. Of the respondents of the survey, 46% indicated that their decision was to move to Mölndal/Gothenburg area to continue their employment with AZ. 16% of the respondents have chosen to commute to the Mölndal plant and 38% will be leaving the organisation. Of those leaving AZ, 58% indicated they had found employment elsewhere. 18% were going to look for a new job. Of the entire population, as mentioned in the case description (chapter 4), 19% of all employees at AZ Lund will be relocating or commuting to Mölndal. The respondents of the survey had all been offered relocation or commuting packages, however this was not the case for all employees at the plant in Lund. Therefore, there is a significant difference between the percentage of employees choosing to relocate among the respondents of the survey and the total population, which is all employees at the plant in Lund.

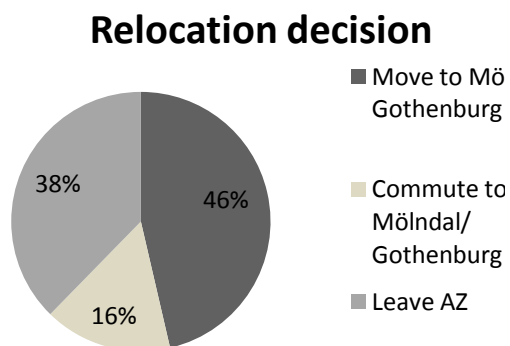


Figure 2 Relocation decision

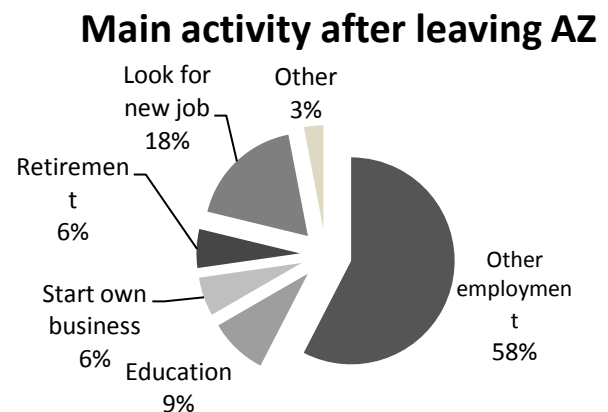


Figure 3 Main activity after leaving AZ

The table below is designed with the purpose of giving an overview of the relation between respondents' relocation decision and personal conditions. Each cell is divided by gender in order to see if there are any similarities or differences between men and women. The left corner shows women and the right corner men. Age of children is not summarised in numbers as the respondents can have more than one child in different age groups. Therefore the sum of numbers would instead present number of children and not number of respondents.

The sex of the respondents was fairly equally distributed with a slight majority of female respondents (54%). Almost half of the respondents were born between 1956 and 1965. 24% were born in 1955 or before and 23% were born between 1966 and 1975. Only 4% were born in 1976 or later. 90% of the respondents were either married or lived together with a partner. 9% were single and 1% reported being in a relationship but lived alone. All of our eight interviewees were married or lived with their partner. 10% of the respondents did not have any children. Other respondents were asked to indicate the ages of their child/children. Respondents with two or more children of different ages could therefore fill in several of the ranges, giving a total percentage higher than 100. The survey shows that 50% of the

respondents had children aged 18 or more. As can be seen in the diagram, there were also many respondents who had younger children. Among our interviewees, only one had children under the age of 15. Three had children between 16 and 18 as well as children over 18 years of age. The four remaining interviewees only had children who were 18 years or older. As can be expected from the population surveyed, which consisted of many scientific researchers, the education level is high. 90% had attended university and achieved a minimum of a bachelor degree. One of our interviewees had secondary school as the highest level of education; the other interviewees had all attended university.

RELOCATION DECISION		Moving	Commuting	Leaving	
<i>Total respondents:</i>		31	10	26	
Year of birth	1985-76	0	1	2	3
	1975-66	4	0	5	16
	1965-56	9	1	9	33
	1955 or earlier	2	2	2	15
	Total:	31	10	26	= 67
Marital status	Single	3	2	0	6
	Married/lives with partner	12	2	18	60
	In a relationship	0	0	0	1
	Total:	31	10	26	= 67
Age of children	0-5 years	4	0	4	
	6-12 years	3	0	7	
	13-15 years	1	0	8	
	16-18 years	2	0	4	
	18 or older	10	3	6	
	No children	1	1	1	
Education	Secondary school	2	1	3	7
	Bachelor or master degree	8	2	11	30
	Doctorate	5	1	4	30
	Total:	31	10	26	= 67

Table 2 Relocation decision and personal conditions

In conclusion, 46% indicated that their decision was to move to Mölndal, 16% decided to commute and 38% are leaving AZ. Among our interviewees, five out of eight have decided to either accept the relocation or commuting offer. The majority of the respondents who are moving were born between 1956 and 1965 and 90% of all respondents are married. There is a significant difference in gender when it comes to relocation decision and age of children. Women with children younger than 18 years old tend to a larger extent leave the company compared to men.

5.3 Decision-making processes

The second theme of the empirics includes an account of the interviewees' decision-making processes. As the relocation decision model assumes limited rational behaviour, we asked the interviewees to describe how they made their decision. We also wanted to know how they viewed their relationship with AZ. Furthermore, the basic assumptions for the relocation decision model states that the relationship between employees and the company, such as organisational support and relocation offer or other financial benefits, is likely to influence the relocation decision factors in different ways. With this assumption, we asked the interviewees to describe their relation toward AZ and how they experienced organisational support.

The interviewees' decision-making process could be summarised as a process including two phases. The first phase was characterised by alternatives being weighed against each other. The alternatives available were individual and some interviewees had more alternatives than others. The second phase included discussions with partners and/or colleagues. The decision-making process for each interviewee will be described in detail below, including descriptions of their relationship toward the company.

5.3.1 Interviewee A

Interviewee A was born between 1956 and 1965 and has decided to commute to Mölndal.

A's final decision was made in December 2010 when the relocation offer was made. During the time between when A found out about the closure and when A received the relocation offer, A weighed benefits and costs related to relocation against each other. It was a time characterised by confusion and in the beginning A was uncertain of what to do. Even after the decision was made, A was not sure if the right decision had been made. At the time of the interview A felt that the decision to commute was the right thing to do.

The decision-making process for A involved a pros and cons list, where alternatives were weighed against each other. To keep a job was viewed as a benefit since the alternative was to leave and be unemployed. A expressed worries about being over 50 years old without an academic background and at the same time being unemployed. The alternative to keep the current job was valued as most important. The option to commute was seen as viable.

“There are many people today who commute, why shouldn't I be able to do it?”

A first discussed the decision with his/her family. A's partner was positive from the beginning, since the partner travels a lot for work. The children were also encouraging and expressed their gladness to get access to an apartment in Gothenburg.

A emphasised that the decision was not affected or influenced by her/his manager. However, the manager shared experiences of commuting and gave valuable advice to A. A continues to talk about the company and thinks it is another company today compared to some years ago. According to A, the organisation has been more bureaucratic over the last years and one

consequence is that decision processes require much time. *A* emphasises that the Swedish style of doing business has decreased and it is important for *AZ* to turn back to their values in order to carry on the Swedish culture. According to *A*, the loyalty among employees is unique for the company and is something they have to hold on to. At first when everyone in Lund heard about the closure people worked less effectively. However, it did not take long time before people began to perform well again and this loyalty is described, from *A*'s point of view, as something very valuable and unique.

5.3.2 Interviewee B

Interviewee *B* was born between 1956 and 1965 and has decided to relocate to Mölndal.

As soon as the decision to close the Lund plant was announced, *B* began to think about what opportunities existed and what *B* prioritised in life. From the beginning *B* looked at possible alternatives. One option was to return to the academic world, where *B* had been working before. This was not worth further consideration as *B* did not wish to do so. Other options were to work in other pharmaceutical companies, mainly in Copenhagen, or within organisations which support pharmaceutical companies. None of these options was attractive to *B* since *B* believed more in *AZ*'s future compared to other companies in the pharmaceutical industry. *B* found that the projects in which he/she was currently involved were very important and felt a strong commitment to them as *B* had spent many years working on these projects. *B* therefore wanted to complete this work before considering leaving *AZ* and therefore decided to commute to Mölndal for a few years before re-evaluating the situation.

B meets her/his manager once every year since the manager is located in England and according to *B*, in order to build a relationship, they have to meet more often. Despite the lack of a close relationship, *B*'s manager called in trying to encourage *B* to relocate. This was very important for *B* and it was appreciated by *B* to hear that the organisation wanted and needed her/his competence. *B* explains how the managers' roles have changed over time. In the past, managers had authority to make their own decisions and focus on employees' situations. Today, *B* thinks that the managers are more focused on administrative work and feel pressure to deliver upwards. The bureaucratic structure suppresses the company and the lack of a vision for 2020 is viewed as a lack of belief in the future, according to *B*. However, *B* emphasised that the loyalty among employees is surprisingly high. People worked nights and days in order to achieve what they had promised to do despite the forthcoming closure.

5.3.3 Interviewee C

Interviewee *C* was born between 1966 and 1975 and has decided to leave *AZ*.

C described the decision as a very easy choice and knew from the beginning what to do. *C* is a person who likes to discuss and involve other people in the process, and during this decision-making process his/her partner's opinion was involved. *C* emphasised that even though he/she listened to others the decision was in the end his/her own. *C* described how he/she tried to imagine the children's reaction and feelings if they had to move from Lund, and combined with *C* and his/her partner's social life which was highly valued, the decision was made to leave *AZ*.

The alternative to applying for new jobs was viewed as a better alternative than moving from Lund. *C* saw this change as an opportunity to get a fresh start.

“Wow, what a great opportunity to do something else.”

The choice to leave involved some uncertainties, as *C* had no new job at the time of the interview. However, *C* saw the severance package as a good start from a financial point of view. This was something *C* had in mind when the decision was made.

The relocation decision was not influenced by the manager and *C* says that the decision was already made before she/he was asked to move to Mölndal. The relation between managers and employees has changed; earlier it was easier to talk to the manager and they made a decision but now it takes much longer, said *C*. *C* also talked about the future of AZ and expressed that the belief in the future was not the same anymore. It is understandable that the company closes one site in Sweden. However, *C* thought it was wrong to close the plant in Lund, as this plant has a great deal of competence. *C* had a sceptical view of the future since a lot of competences are disappearing as a consequence of the restructuring of the organisation. According to *C*, the loyalty among employees has remained. People do work and perform as usual which was surprising for *C*.

5.3.4 Interviewee D

Interviewee *D* was born between 1946 and 1955 and has decided to leave AZ.

At first, *D* was convinced for a relatively long time to move to Mölndal. When the relocation decision was announced *D* had no other job opportunities and was satisfied with the job at AZ. The relocation offer, especially the moving bonus, was appreciated by *D* as this compensation gave *D* the opportunity to buy an apartment in Gothenburg and work from home in Lund for a couple of days a week.

There were different factors that changed *D*'s mind, from being positive and considering a move to Mölndal to deciding to leave the company. During the decision-making process, *D* was offered a job which was very attractive. Moreover, a combination of the beneficial severance package and the need to be close to family were decisive for his/her decision to leave AZ. Finally, *D* experienced that the job offered in the new AZ organisation was not at the same level as the job *D* currently held and *D* could not see any opportunities for further development within AZ.

D's manager has not participated or been present during the decision-making process. One explanation, according to *D*, is that the manager is placed in England and they are not in contact on a daily basis. Furthermore *D* talked about how the lack of support from both top management and Human Resource could have been improved. The relation between the top management and employees has changed, more or less since the merger between Astra and Zeneca. *D* experiences that the organisation is today characterised by being bureaucratic and centralised. However, *D* ended our conversation by saying that *D* believes in the future of AZ.

5.3.5 Interviewee E

Interviewee *E* was born between 1956 and 1965 and has decided to leave AZ.

E decided what to do before the offer to move to Mölndal was given. The relocation offer was presented to *E* in December, 2010. As a consequence of the late offer, *E* did not believe he/she would receive an offer to relocate and therefore decided after the summer months what to do in the future. When *E* decided to leave the company, his/her family situation was included and the fact that they were settled in Lund. The option to commute was not considered by *E*, since it was seen as temporary. Thus *E* would have to look for a new job after a couple of years. *E* was not willing to deal with practical problems that might occur when a family member commutes and commuting was thus not an option for *E*. After weighing the alternatives, *E* felt very strongly that the best option was to "close the door" to

AZ and search for new jobs. *E*'s decision to leave AZ was strengthened as soon as a CV was formulated which included great work experiences. Thus the belief in finding a new job increased. *E* felt that it took great courage to leave a company where he/she had worked for many years. *E* did not feel particularly worried about the future thanks to good support from the family and a secure financial situation, even if the job search process is extended.

E's manager decided at first to move to Mölndal and did not support *E*'s decision to leave. After a while, when the manager changed his/her decision to also leave, the support increased as well as the understanding that people are not motivated to the same extent as before. Even though motivation has decreased, *E* emphasised that she/he still works very hard in order to deliver good results. The reason, explained *E*, is that people aim to help co-workers who are moving and since they have been working together for a long time they are good friends. *E* finishes by saying that the support from the company has been excellent and they have done more than required. *E* will leave the company with good feelings.

5.3.6 Interviewee F

Interviewee *F* was born between 1956 and 1965 and has decided to relocate to Mölndal.

F decided to move as soon as the relocation offer was presented. Since *F* had been working at AZ for a short period of time, the feeling of not yet being finished was unavoidable. *F* had alternatives which were briefly considered. To leave the company after such a short time period gave *F* a low severance pay. In addition, to change employers frequently was seen as having negative effects on the CV and the process of changing jobs again was associated with difficulties. All these alternatives were known and the option to move was the one *F* appreciated most. The decision was easy to make and *F* did not put much time and effort into it. *F* discussed mainly with his/her partner and later also with work colleagues who had also decided to relocate, which *F* found very encouraging.

F's manager is located in England and has not been involved in the decision process. In general, there is a lack of good relationships between managers and employees in the organisation, according to *F*.

“For them [the managers], this is just a game of chess.”

Despite the lack of support from his/her closest manager, *F* experienced strong support from the top management. There has also been good communication about the new organisation, which is appreciated. The top management has paid attention to employees' opinions and wishes and *F* thinks Human Resource has acted professionally.

5.3.7 Interviewee G

Interviewee *G* was born between 1956 and 1965 and has decided to relocate to Mölndal.

G received a phone call from the manager who presented the relocation offer which also involved a change of job positions. *G* had applied for a new job at the Mölndal plant and had thus decided to relocate if the offer was made to him/her. The job in the new organisation was within a field that *G* found both interesting and challenging. Even though the job change involved relocation, this was not an issue for *G*. The decision was to accept a new challenge since *G* had applied for the job.

G discussed the decision with the manager who made the phone call, who encouraged and explained the opportunities for further development related to the job change. Some of *G*'s

other managers were also supportive in the decision and *G* felt that managers expressed a need for his/her competence, which was important for *G*.

Since the decision was more about a job change rather than a relocation decision, *G* felt excited about the new job. *G* did not worry about the future. However he/she said that the situation would be evaluated later on together with his/her family, who still lived in Lund.

“I can always quit if this is does not work out.”

G expressed some worries about the future and that no one really knows what will happen in the next two years in Mölndal. As a consequence of both the plant closure and uncertainties about the future, motivation among employees has decreased. It is a natural reaction, according to *G*, who continued to say that the company has succeeded in reorganising in a brilliant way.

5.3.8 Interviewee H

Interviewee *H* was born between 1956 and 1965 and has decided to commute to Mölndal.

Even before the relocation offer was presented, *H* expected to be offered a job. *H* believed the closure of the Lund site would result in a relocation of the department to England. Therefore, *H* was positively surprised when the destination presented was Mölndal. The alternative to commute was seen as possible and the decision was made easily, according to *H*. Since *H* found the job very interesting and is engaged in the research, there were no possible alternatives. The fact that it is difficult to find a similar job or begin a new career removed changing employers from the list of options, and commuting between Lund and Mölndal was seen as the best option. *H* did not write down pros and cons, but instead *H* considered what he/she valued the most and whether commuting was possible from a personal perspective. The decision was made before *H* received the relocation offer, and the specifics of the different packages were not evaluated in detail. *H*'s partner was doubtful about commuting; therefore *H* will evaluate the decision in a couple of years to see how it has affected *H*'s family and social life.

H said that his/her manager did not participate in the decision process. A reason for this could be that the manager had decided not to move, according to *H*. *H* argued that the fact that the manager did not participate, to any considerable extent, had generally negative effects on how many will move. From the company's perspective, it would have been good if they engaged and involved managers to be more active in employees' relocation decision, *H* suggested. *H* recommended that the top management could have announced “ambassadors” in order to encourage and support employees. One of the consequences that *H* pointed out is that people who possess key competences disappear during this reorganisation. This might affect the future of AZ and *H* does not believe the company will continue to grow.

In conclusion, *A* and *F* did not consider other alternatives to any greater extent. *A* wanted to keep the current job and income level and therefore decided to move. *F* had worked for a very short time of period and expressed that she/he was not finished at AZ. On the contrary, both *C* and *E* prioritised their family and therefore decided to decline the relocation offer. *D*, who received a more beneficial alternative, changed his/her decision from first considering a move to finally deciding to leave the organisation for other employment. *B*, *G* and *H* were all very engaged in their work and projects running within the organisation. This was the main reason why they all decided to move or commute.

5.4 Employees' valuation of the company offering

The third theme concerns employees' valuation of the company offering, more specifically the relocation package as views on this was obtained from both the survey and interviews. The results will be broken down to reveal potential differences in the view of the packages depending on gender and outcome of decision.

5.4.1 Insights from the survey

The respondents were asked about the different elements of the relocation offer provided by AZ. In order to avoid neutral answers, respondents were asked if the respective elements were "much appreciated" or "not as important". As can be seen from the diagram below, the moving bonus, consisting of one year's salary, was most appreciated. Overall, the different elements of the relocation offer appear to be appreciated by the employees; however the offer of two days off for house-hunting in Gothenburg and job coach for accompanying partners were seen as less important for the majority of respondents.

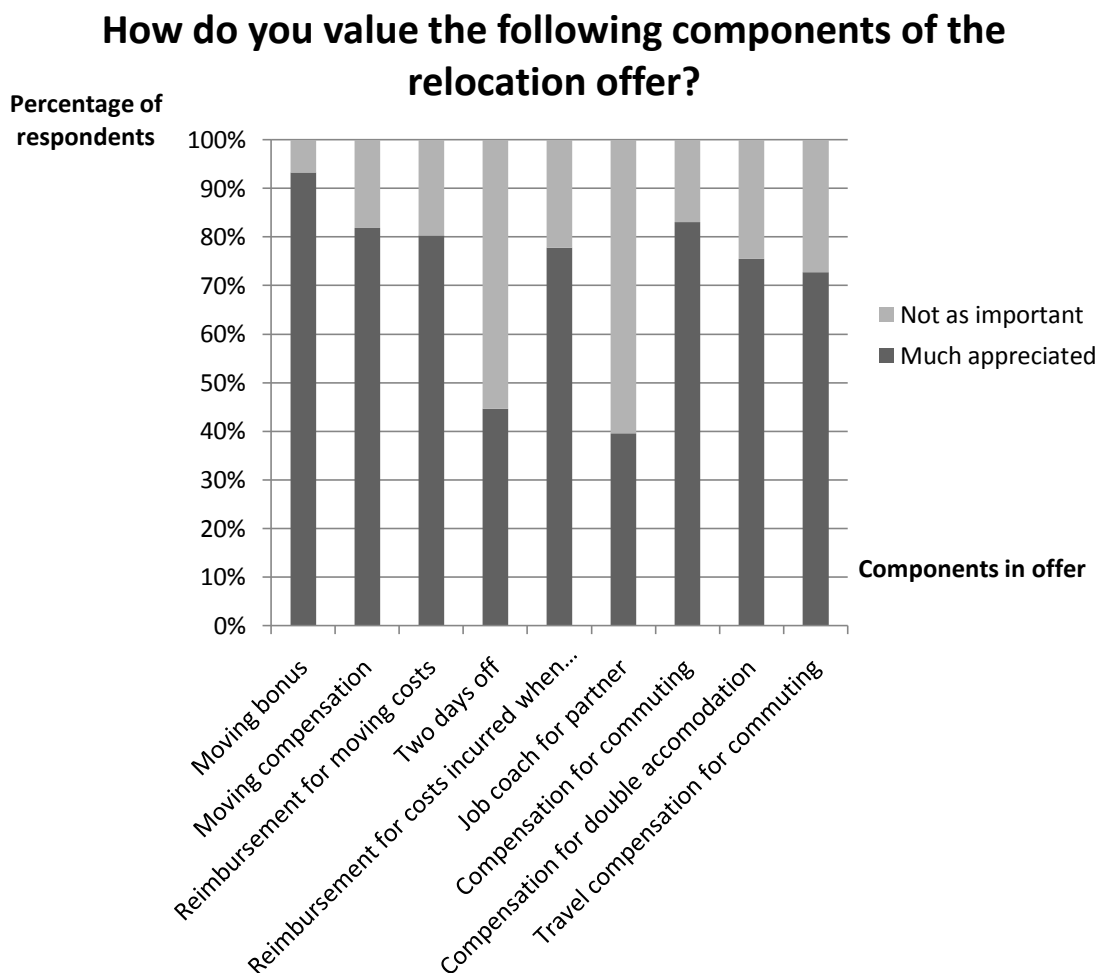
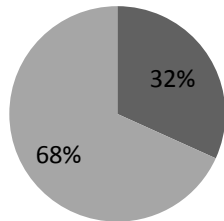


Figure 4 How do you value the following components of the relocation offer?

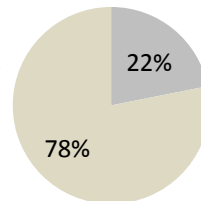
We also asked the respondents if there were any other components that could have been offered by AZ. 32 % indicated there were one or more factors that would have been appreciated. Out of these, 22 % said that this factor would have changed their decision.

Is there anything else you would have appreciated that was not offered?



Would this have changed your decision?

■ Yes →
■ No



■ Yes
■ No

Figure 5 Is there anything else you would have appreciated that was not offered?

The respondents who had indicated there were other elements they would have appreciated were asked to comment on what this could be. Most comments on this question were related to two areas: reimbursement for having to pay for two residencies and better help finding housing in Mölndal/Gothenburg.

“Reimbursement for double residents during a limited time period even when relocating. The short time from when I received the offer of employment at AZ to when I am expected to be there probably means that I have to sell my current property at a loss.”

“In hindsight you realise it is almost a full time job looking for/finding a property in Gothenburg. There needs to be a lot more time in Gothenburg for flat-hunting.”

There were also two comments related to having a trial period during which employees could see if they were happy in Mölndal. Other comments gave a number of suggestions, such as more flexibility for employees working from home, a more attractive hotel for the commuters, a promotion and more support from management. One respondent found the relocation to be too complicated and did not appreciate differences in reimbursement between those who decided to quit and those who relocated or commuted:

“[I] think they have made it very complicated with different alternatives and help. Those who quit will receive 16 months of salary. Why can't the people who move/commute etc. get the equivalent and then you could use the money any way you like.”

We think it would be interesting to partly explore if there are any differences or similarities in how men and women view the relocation offer and partly how the respondents views differ depending what decision they have made or will make.

5.4.1.1 Gender differences in the view of the relocation offer

The table below illustrates the differences in how men and women appreciate the following factors of the relocation offer. Moving bonus and moving compensation are similarly valued by both women and men. Women appear to appreciate the offer of a job coach to a greater extent than men. Job coach for partners and two days off in order to search for accommodation in Mölndal are the least appreciated components by both sexes.

COMPONENT IN PACKAGE	Much appreciated		Not as important		TOTAL
	Men	Women	Men	Women	
Moving bonus	43%	50%	5%	2%	100%
Moving grants	36%	45%	8%	11%	100%
Reimbursement for moving costs	34%	46%	11%	9%	100%
Two days off	18%	27%	28%	27%	100%
Reimbursement for costs incurred when buying/selling property	31%	46%	13%	10%	100%
Job coach for partner	10%	30%	34%	26%	100%
Compensation for commuting	42%	42%	4%	12%	100%
Compensation for double accommodation	34%	42%	11%	13%	100%
Travel compensation	29%	44%	15%	12%	100%

Table 3 Gender differences in the view of the relocation offer

5.4.1.2 Decision differences in the view of the relocation offer

In order to highlight differences and similarities in how the relocation offer has been valued within the three decision groups - to move, to commute or to leave - three diagrams are presented below. It is noticeable that despite the decision made, moving bonus and moving compensation are appreciated by all respondents. Another observation worth mentioning is that among the employees leaving AZ, all components of the offer received more positive than negative responses. Among the respondents who have decided to relocate or commute, more respondents experience job coaching for partners and two days off as not as important. In contrast, among the respondents who are leaving the company, most appreciated these components. Furthermore, components such as compensation for double accommodation and travel compensation are much appreciated among the respondents who are commuting, as only one respondent thinks that one of these components is less important.



Figure 6 Employees' view of company's offering - Moving to Mölndal

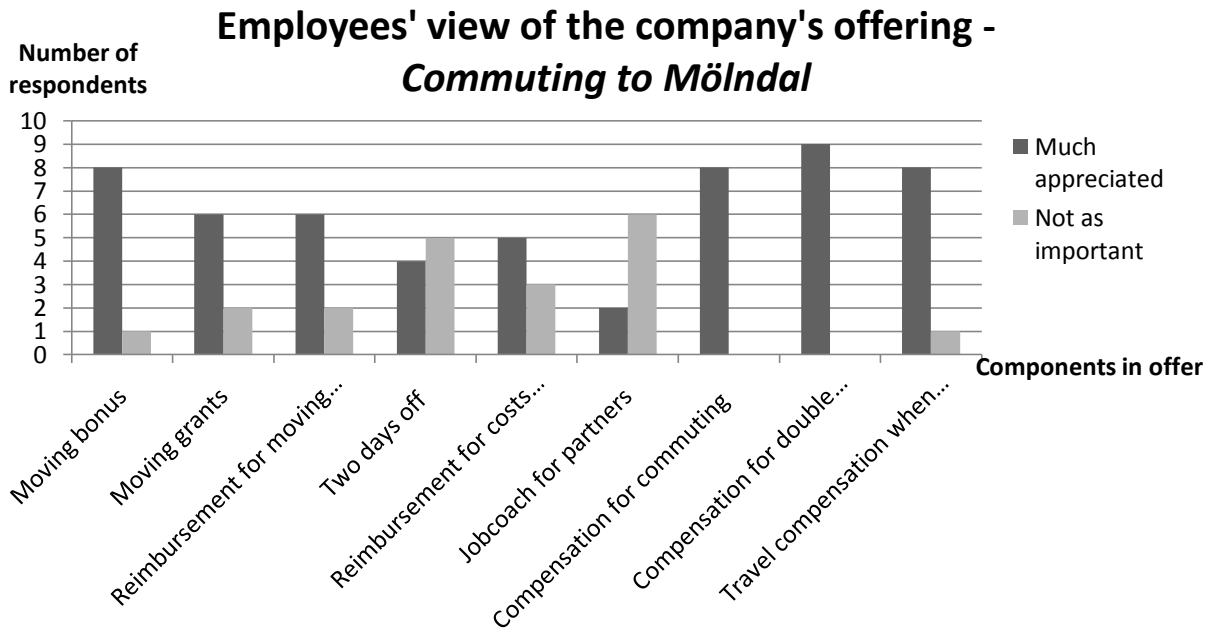


Figure 7 Employees' view of the company's offering - Commuting to Mölndal

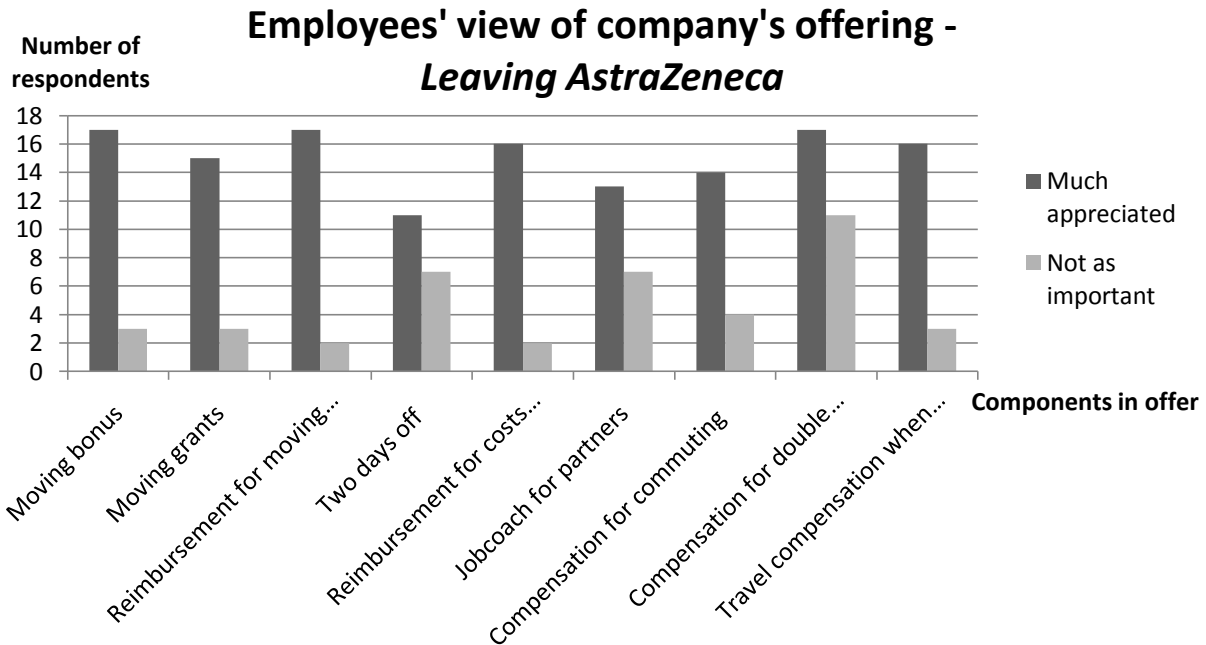


Figure 8 Employees' view of company's offering - Leaving AZ

5.4.2 Insights from the interviews

Overall, the interviewees found the relocation and commuting packages very generous. The severance package for employees who are leaving the company was also much appreciated by those who had been working at AZ for long enough to receive more than a year’s salary, which the majority of interviewees had. One interviewee did not know of any other company that had gone to such great lengths for their employees, another interviewee had similar views:

“They [AZ management] have really done everything.”

“It is unreasonable to ask for more.”

However, the packages themselves played different roles in the decisions of the interviewees. For some undecided employees the relocation and commuting packages were the determining factors as to why they decided to stay with AZ, whereas others had already made their decision and did not factor in the money and assistance offered. It was clear from all interviewees that the moving bonus was the major factor in the offer, as this was the most discussed component.

“It was crucial that something was offered... A year’s salary, moving grants and compensation for double accommodation were crucial for my decision to move.”

5.4.2.1 Relocation package

Interviewee D had first planned on relocating to Mölndal and found the offer to be of importance for that decision, in particular the moving bonus of one year’s salary. The moving bonus was crucial also for interviewee B’s decision to relocate to Mölndal. Interviewee A said that this decision to relocate would have been made even without the moving bonus, but sees the money as a positive addition. The other components of the offer were not as important to interviewee A, who did not consider these in any greater detail. Interviewee F was very

appreciative of the financial support that made it possible to rent a flat in Mölndal while keeping the current house in Lund, as *F*'s partner had chosen to stay in Lund.

5.4.2.2 Commuting package

The commuting offer was appreciated by interviewee *D*, but only for a limited period of time as *D* did not find it financially beneficial in the long-term. This was an opinion shared by interviewee *E*, who believed that a more attractive commuting package would have enticed more employees. For *E*, who had already decided to leave the organisation when the offer was presented, the commuting offer was only briefly considered and ruled out as it was not seen as beneficial enough. Both interviewees *E* and *C* received a relocation offer rather late, between December, 2010 and January, 2011 and had thus had a long time to consider the possibility of moving. However neither believed they would receive an offer of employment at the Mölndal plant. Therefore, both had already decided to leave AZ when the offer was finally presented. For this reason, interviewee *C* did not evaluate the different components of the offer in detail. Interviewee *H* considered commuting a strong possibility even before the offers were presented and used the financial benefits offered as a selling point in discussions with his/her partner, which facilitated the decision to commute. The same employee also discussed the sacrifices made when commuting, such as partly giving up one's social life. However, together with the job and salary offered, the commuting package was seen as beneficial enough to outweigh this negative aspect.

5.4.2.3 Severance package

All three interviewees who had decided to leave AZ suggested that the severance package made it possible to choose the potentially more unsecure alternative of looking for a new job. For one of the interviewees who had already been offered a new job, the severance package added to the salary offered at the new workplace made it more beneficial to accept this than to stay at AZ.

One interviewee expressed concerns about the severance package, as some employees may consider this more beneficial than moving or commuting and believes that the relocation and commuting packages should be more beneficial than the severance package in order to entice as many people as possible. The same interviewee also found the different packages too complicated and suggested that the same amount of money was offered to everyone, whether it is for relocating, commuting or leaving the organisation. In this way, employees would have the freedom to choose how to use the money.

In conclusion, the relocation offer was considered very generous and appeared to be appreciated by the employees. The moving bonus was the most appreciated, despite the decision made. Insights from the interviews showed that the relocation and the commuting package were the determinate factors for some of the interviewees' decision. Job coach was viewed as less important and was also the element in the relocation offer which differed most between men and women.

5.5 Employees' personal values

In the fourth section, employees' personal values related to career and social life are presented. The results are firstly presented as a whole, followed by a division of the results based on outcome of decision as well as a number of biographical variables.

5.5.1 Insights from the survey

One of the questions in the survey was related to what factors were seen as the most important when deciding whether to relocate with the company or not. We asked for three factors to be chosen by the respondents, as it is likely that more than one factor will influence the decision. As we can see from the diagram below, there was a large spread in the answers given. 22 people had “other” as one of their answers, which gave them the opportunity to comment on what other factor had played an important part in their decision. From this we received many interesting answers, some of which are quoted below. Some respondents choosing “other” as a factor could be said to belong to one of the factors listed below. For example, three people said that they believed they could get a new job in their current region, which we would categorise as “belief in career opportunities in another organisation”. In addition, four respondents who had selected “other” said that their decision was based on the fact that their partner also worked for AZ and had received the relocation offer. This could be categorised as “partner’s opportunity for employment in Gothenburg”, thus increasing that staple.

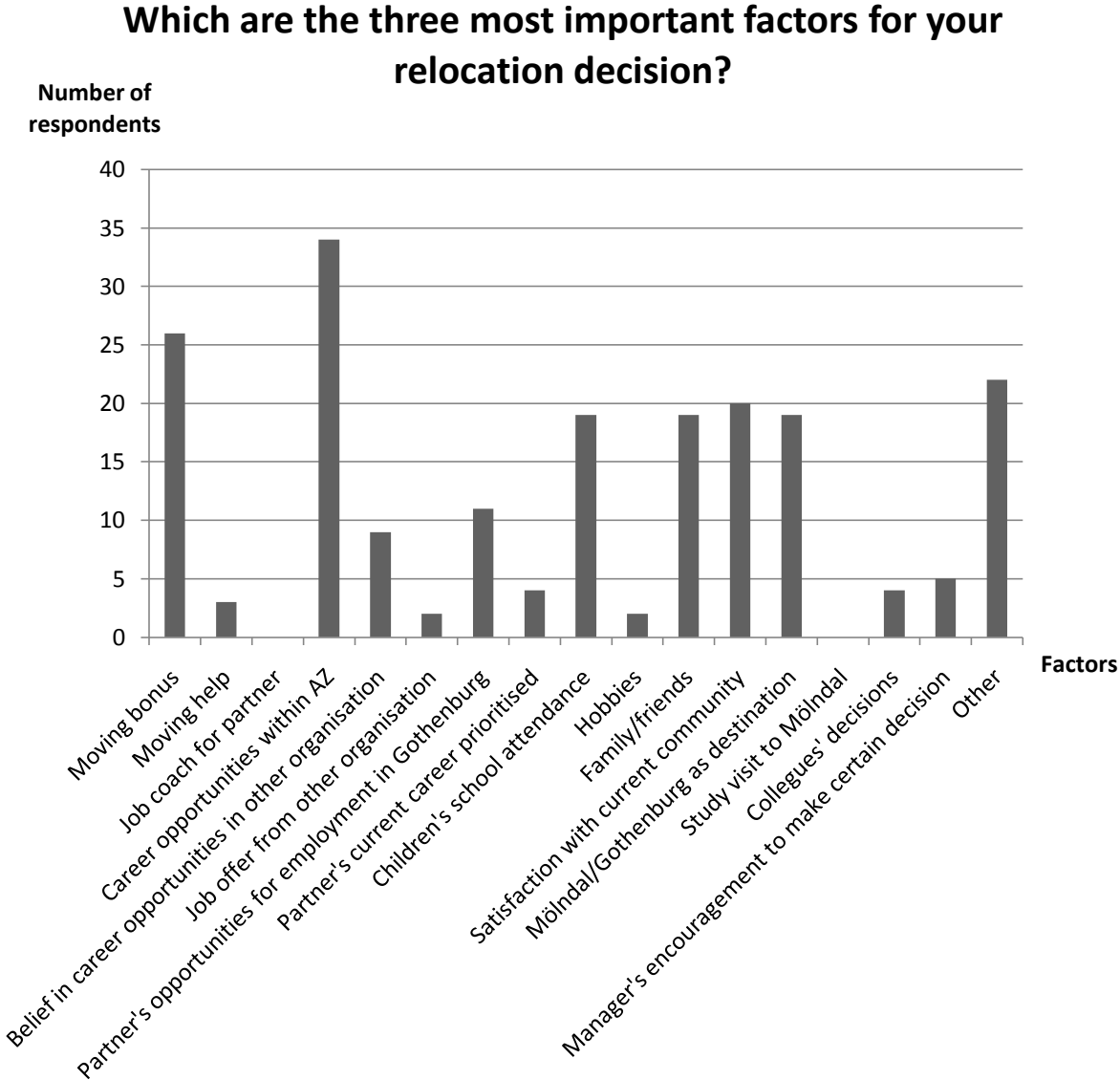


Figure 9 Which are the three most important factors for your relocation decision?

In addition to the comments mentioned above, some respondents choosing “other” as a determining factor indicated worries about unemployment if they did not accept the relocation offer.

“If I don’t move I will probably not have a job.”

There were a number of people referring to the organisation itself as one of the most important factors for the relocation decision. Both positive and negative views on the organisation were expressed by several respondents. Three respondents had negative views on the organisation:

“AZ is on a downward path. Better to quit now than to be left without a job in Gothenburg in two years.”

“New organisation that I don’t believe in and the fact that the majority of managers are non-Swedish.”

“Tired of changes.”

Other respondents had a more positive view of the organisation and their jobs and quoted this as a determining factor for their decisions:

“AZ is a good employer.”

“Positive attitude toward continuing working in Mölndal.”

“Interest in science.”

5.5.1.1 Differences in valuations depending on relocation decision

Among the respondents who have decided to relocate to Mölndal, it is clear that the moving bonus and career opportunities are seen as the two most important factors for their relocation decision. The third most important factor mentioned is “other”, which gave us some comments that have been quoted above, such as partner’s employment at AZ, which allowed both to relocate. The fourth most frequent factor for movers was the fact that Mölndal/Gothenburg was the destination. There are some similarities to the respondents who decided to commute between Lund and Mölndal as moving bonus and career opportunities within AZ were quoted by seven and six respondents, respectively. It is also worth noting that the third most frequently reported factor among commuters was “satisfaction with current community”, which might be expected. The primary difference between the movers/commuters and the ones who are leaving is that children’s school attendance and family/friends were more frequently reported as important decision factors for the employees who are leaving AZ. The respondents who are leaving the company also quote their satisfaction with the current community and Mölndal/Gothenburg as a destination as important. As many of the movers also quoted “Mölndal/Gothenburg as a destination” as important for their decision, one can draw the conclusion that this factor is interpreted in different ways depending on the respondent’s view of the destination.

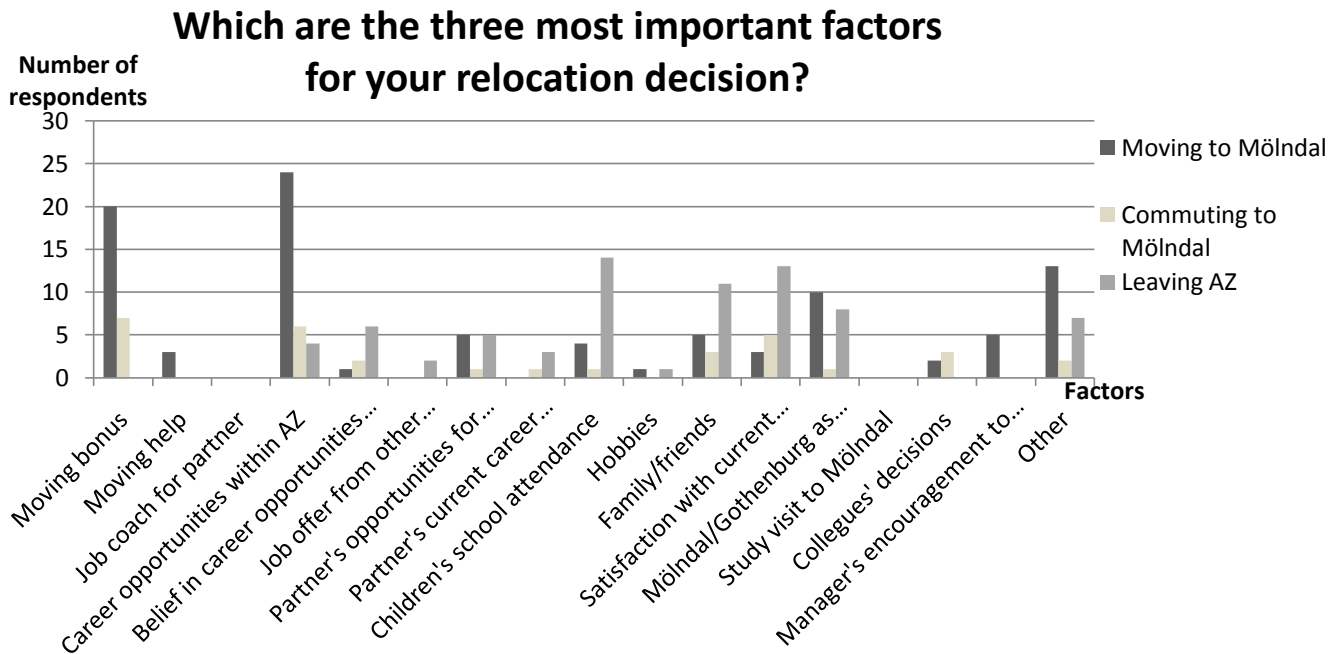


Figure 10 Differences in valuations depending on relocation decision

5.5.1.2 Differences in valuations depending on personal conditions

In the following sections, we will explore differences in valuations, separating the groups by gender, age of children and year of birth.

5.5.1.2.1 Gender

There are some differences between men's and women's views of what factors that are most important in their relocation decision. Moving bonus is more highly valued by men in comparison to women. Women appear to prioritise partner's opportunities for employment to a greater extent than men and also have a stronger belief in career opportunities elsewhere.

Children's school attendance, family and friends, satisfaction with current community and Mölndal as destination received similar numbers of responses as approximately 20 respondents reported these factors as important. Among the respondents choosing the above four factors, women are in slight majority.

In addition, despite consisting of few responses, there is a majority of men who have indicated the following factors as important: partner's current career prioritised, colleagues' decisions and manager's encouragement to make a certain decision.

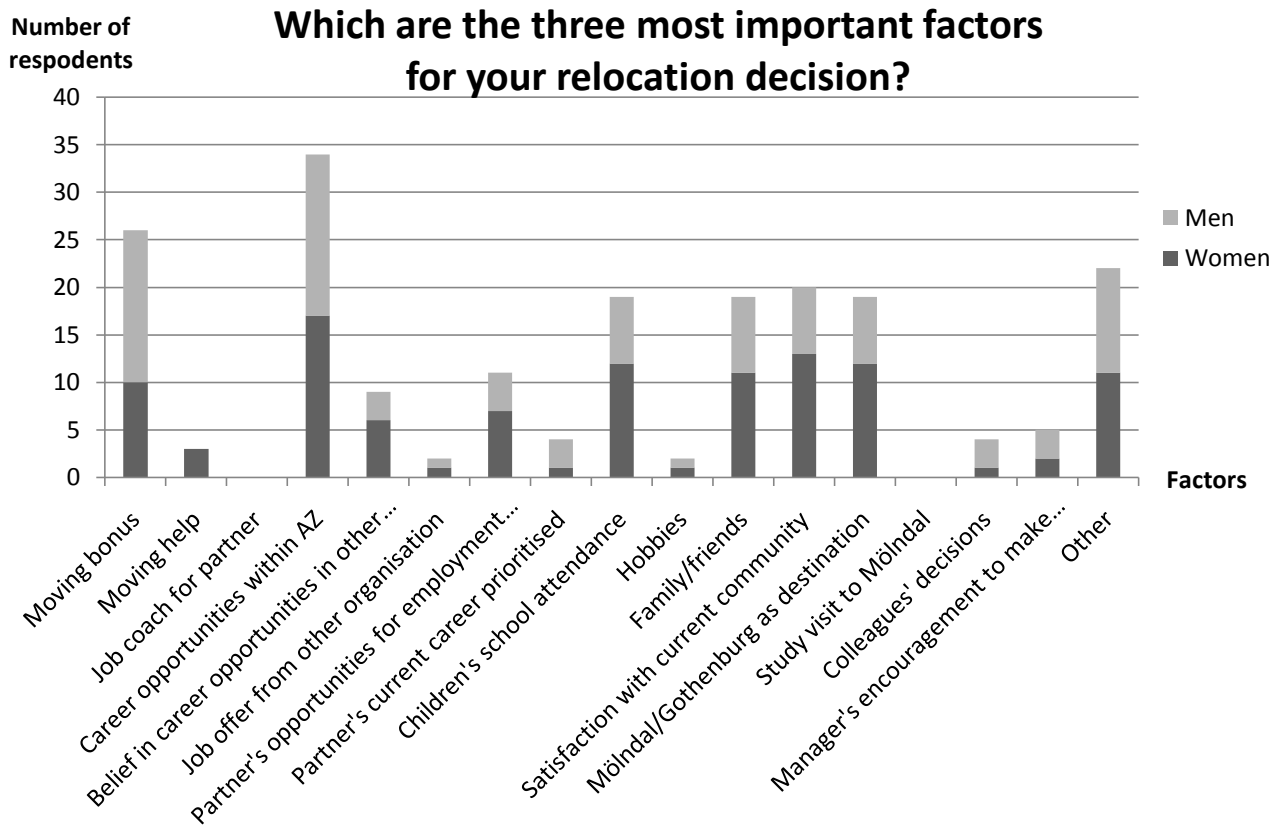


Figure 11 Gender differences in employees' valuations of the relocation offer

5.5.1.2.2 Age of children

In table 2 in the appendix, we can see, by cross tabulating age of children and relocation decision, the differences in how these groups value certain factors in their decisions. When looking at the overall results, it is clear that career considerations (belief in career opportunities in other organisations or career opportunities within AZ) are mentioned by most groups, except for movers with children aged 0-5 and leavers with children aged 6-12, 16-18 and 18 years and older. Similarly, partner and family considerations are often mentioned. Another factor frequently mentioned is the community, either Möln dal as the destination or the current community.

When looking at the relocating employees, we can see a clear difference between the employees with children aged 0-5 compared to all other groups, as neither career opportunities nor moving bonus are mentioned as determining factors.

Among the employees leaving AZ, satisfaction with the current community is an important factor for all employees with children. In addition, partner or family considerations are quoted by all respondents leaving the company.

The commuters are a small group; however we can see that career opportunities are considered by all, similarly to the movers. Among the respondents with children under the age of 18, their partner and children are also seen as determining factors. The commuters with older children or no children at all instead highlight financial rewards and their satisfaction with their current or new community.

5.5.1.2.3 Year of birth

In table 2 in the appendix, we have explored the differences in valuations of factors using year of birth and relocation decision. Many answers overlap with the previous table as can be expected. In the empty cells, there are no respondents belonging to the category in question. Overall, the community, albeit the current community or Mölndal, is mentioned by all except for movers born between 1965 and 1956. Family/friends and related factors are seen as decisive by all employees leaving the organisation, irrespective of year of birth. However, this category of factors is also mentioned by both movers and commuters born in 1955 or earlier.

5.5.2 Insights from the interviews

During the interviews, we aimed at understanding why each respondent had chosen certain factors as the most important for their decision. From this discussion, it was clear that the factors listed in the survey were interpreted in different ways by different respondents. For example, “belief in career opportunities within another organisation” was brought up by interviewees in both the positive and negative sense. In other words, some chose this factor due to a strong belief in finding another job, others did not see any attractive job opportunities outside of AZ at all.

5.5.2.1 Interviewees relocating or commuting to Mölndal

Interviewee A was an example of the above mentioned employees who had researched potential jobs in other organisations and found that there was little chance to find an equally interesting and well-paid job elsewhere. A believed that this was due to his/her low level of education and the fact that he/she was approaching retirement.

Six of the eight interviewees quoted “career opportunities within AZ” as one of the three most important factors for their decision. One of these six employees had decided to leave the company and explained that the reason was a perceived lack of career opportunities within AZ due to disagreement with certain managers. The other five who believed in career opportunities within AZ did not all strive to receive promotions. However, some expressed that being part of building a new organisation can be positive for their future careers which may or may not be within AZ. Two interviewees also said that it is easier to continue within AZ as they have already built up a competence base and career. Changing employers would also mean starting a new career, which was an option neither of them wanted to pursue. All expressed great liking for their jobs. Several of the interviewees who had decided to relocate or commute to Mölndal also quoted the job itself as a major factor behind their decision.

“I want the job. It is the job that I am after, that is what is driving me.”

“I am involved in long-term projects which I enjoy... I have invested a lot in this.”

Three of the five interviewees who are relocating or commuting to Mölndal had managerial positions. One of these interviewees highlighted the uniqueness of the type of job held and pointed out the need to be active to keep such an interesting job.

*“Naturally I have to get to where the job is. I cannot expect the job to be where I live.
It is a fortunate coincidence that it happens to be so in Lund,
but that possibility is smaller now that Astra is leaving.”*

All of the movers and commuters interviewed discussed the downsides related to having one’s partner and family still living in Lund, as was the case for all interviewees. As all of these interviewees were highly dedicated to their jobs, it can be assumed that their jobs were prioritised over social factors at present. The packages offered facilitated the decision.

However, all saw the current arrangements as temporary, to be evaluated after one or two years.

*“My job, salary and the commuting package outweigh that.”
[the negative aspects related to commuting]*

*“My partner does not see this [commuting] as a long-term solution.
And neither do I, really... I’ll see how this works out after a couple of years.”*

5.5.2.2 Interviewees leaving AZ

The three interviewees who had decided to leave AZ all expressed similar views on work and social life. All expressed an interest in continuing their careers. However this was not the most important factor in their decision. All three believed it would be relatively easy to find a new job and one interviewee already had. It was clear that family considerations, particularly children, were the major factor behind these interviewees’ decision to leave AZ, combined with perceived ability to find a new job. Interviewee *C* had a very strong belief in career opportunities in other organisations although *C* had not yet found another job. However, this interviewee is approximately 40 years of age, has a university education and a job position which is non-specific to AZ. Similar reasoning was brought up by interviewee *E*, who also believed in finding another job relatively soon. *E*’s job position was also easily transferrable to another organisation. Both interviewees *C* and *E* also had children who were still at school, which was the most important factor for their decision to stay in Lund for both interviewees.

“My family and children are the determining factors behind my decision to stay in Lund.”

In conclusion, the survey shows that moving bonus, career opportunities and “other” were the three most important factors for employee’s relocation decision. There were some similarities between respondents deciding to move and commuting, since moving bonus and career opportunities were valued as the two most important factors. The primary difference between moving/commuting to the ones who decided to leave was the children’s school attendance. There were some differences between men’s and women’s view on which factors are most important in their relocation decision. Moving bonus was highly valued by men compared to women. Meanwhile, children’s school attendance, family and friends were received as similar between sexes. When we looked at valuation related to age of children it could be concluded that relocating employees mention career opportunities as important, except movers with children aged 0-5. The respondents who are leaving with children from all age groups pointed out family considerations and satisfaction with current community as important factors.

5.6 Employees’ personal conditions

The fifth and final theme concerns personal conditions and their impact on the decision to relocate or not. The results are presented in the following sections.

5.6.1 Insights from the survey and interviews

Each condition examined is presented below, grouping together information retrieved from both the survey and interviews.

5.6.1.1 Age – from the survey

The diagram below shows how the respondents within each age group have decided to relocate, commute or leave. It is noticeable that more than 50% of the respondents born between 1965 and 1955 have decided to move to Mölndal. However, 1/3 of the respondents from this age group have decided to leave. The age group of 1955 and older has an almost equal allocation of the different decisions. None of the total of ten commuters belonged to the age group 1975-66.

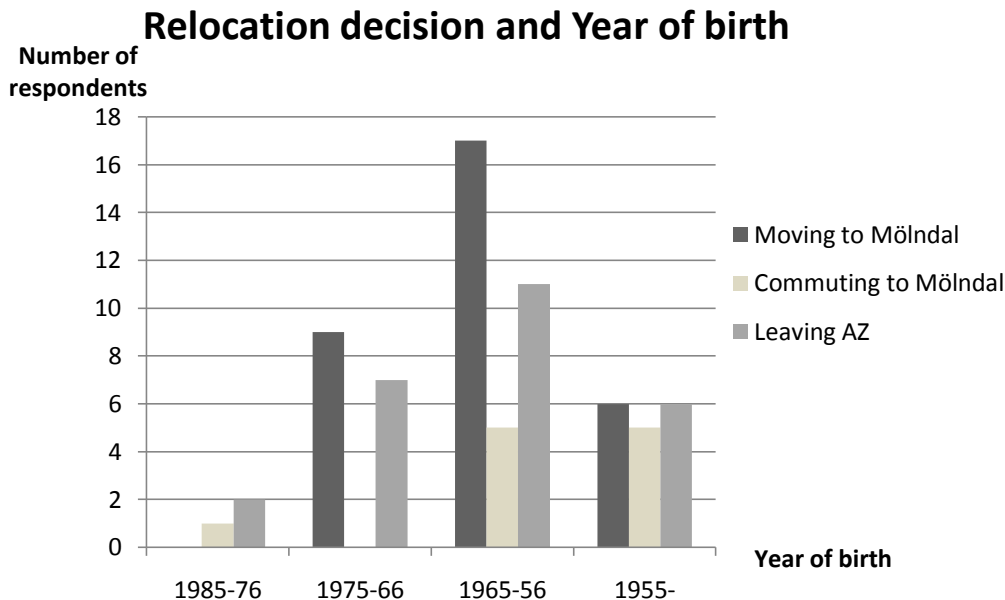


Figure 12 Relocation decision and Year of birth

5.6.1.2 Age – from the interviews

Six of the eight interviewees were born between 1956 and 1965, one between 1966 and 1975 and one was born in 1955 or earlier. The youngest interviewee did not discuss age as a factor in his/her decision to leave AZ. This was due to his/her having young children. The oldest interviewee very much factored in financial considerations into the decision to leave AZ and start a new job in Lund, as this employee was approaching retirement and wanted to be able to retire before the age of 65. Among the interviewees born between 1956 and 1965, age was not discussed to any great extent.

5.6.1.3 Gender – from the survey

Of the respondents who have decided to relocate, 53% are men and 47% are women. There are greater differences between genders in the decision to leave, since 30% are men and 70% women. The difference between the commuters is also notable. However as the total number of commuters is rather low, it might be difficult to draw conclusions based on this difference. In our sample, however, there are more men than women who commute.

During the interviews, gender was not discussed as a basis for any decision.

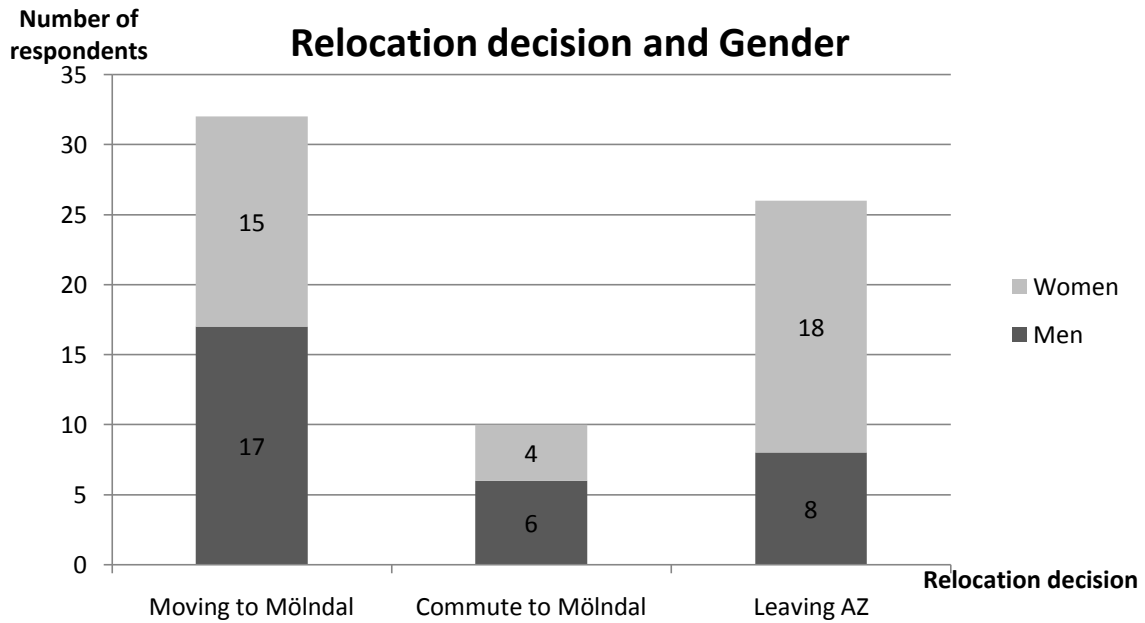


Figure 13 Relocation decision and Gender

5.6.1.4 Children – from the survey

As the diagram below indicates, there is a significant result showing that many of the respondents who have decided to relocate or commute to Mölndal have children older than 18 years. Among the employees who have made the decision to leave the company there is an equal allocation of children of the two age groups, 6-12 years and 13-15 years. It is also worth noting that none of the commuters have children under the age of 12.

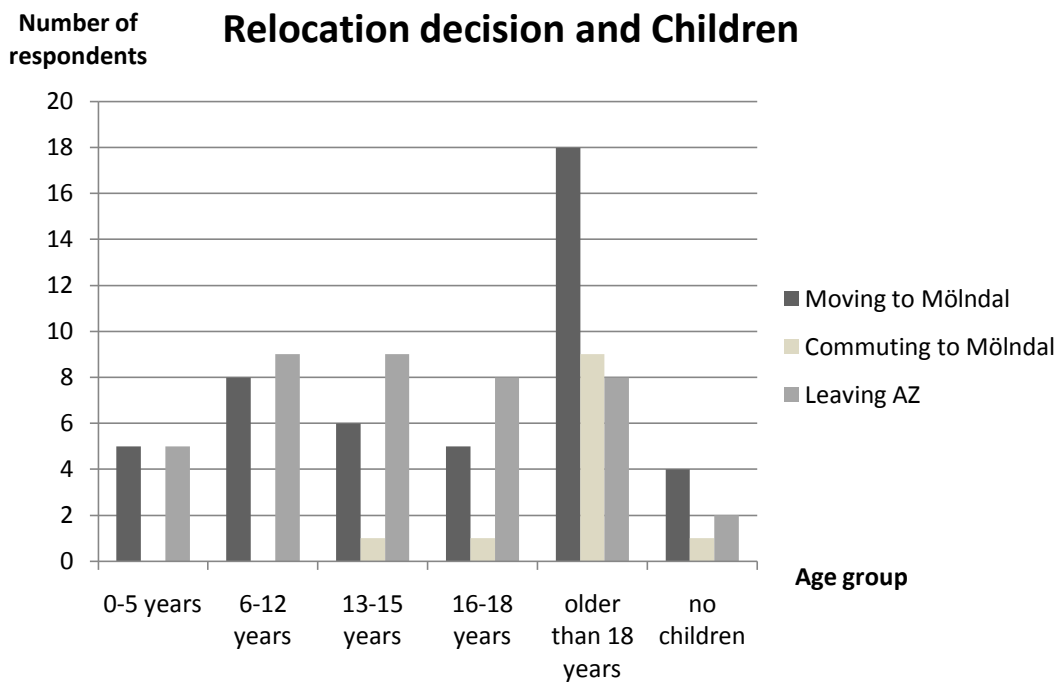


Figure 14 Relocation and Children

5.6.1.7 Children – from the interviews

From the survey it could be recognised that many of the respondents who decided to move to Mölndal have children above 18 years of age. In order to understand how this condition has affected the decision, the interviewees were asked to develop on their situation and how it has affected their decision.

The fact that *C*'s children were young was the determining factor for *C* to leave the company. One child had not yet started school and the other was a teenager. *C* explained that the family situation was the reason why a move was never considered a possible alternative. Interviewee *H* shared this view, and though *H*'s children were older than 18 years old, *H* said that a move would never have been an option if the children had been younger. *D* had children who were not living at home. Still *D* argued that the longing of being close to family was an important factor for *D*'s decision. The age of the children was discussed by all but one as a factor in their decisions. Even if deciding to move, one of the reasons behind that decision was that children no longer lived at home. Interviewee *G* is the only person who never mentions children or family situation as part of *G*'s decision. *G*'s children were above 18 years of age.

5.6.1.8 Career – from the survey

The main activity after leaving the company is another employment, regardless of gender. More than half of both the women and men who are leaving AZ have secured new employment, according to the survey. We can also see that the two respondents who are starting their own business are men and that the two respondents retiring are female. The one respondent choosing the option “other” left a comment on what her main activity will be: “taking a well-deserved break”.

MAIN ACTIVITY AFTER LEAVING AZ	Women	Men
Other employment	11	7
Education	2	1
Start own business	0	2
Retirement	2	0
Look for new job	2	1
Other	1	0
Total	18	11

Table 4 Main activity after leaving AZ

5.6.1.9 Career – from the interviews

How the interviewees viewed their future careers has been discussed above in relation to the determining factors of their decisions.

5.6.2 Additional insights from the interviews

From the survey, we found connections between certain personal conditions and relocation decisions. The interviews provided additional information about the reasoning behind the decision, based on different personal conditions. The interviews also gave insight into employees' thoughts on other personal characteristics which had not been included in the survey, such as spouses' attitudes, financial rewards, attachment to community and education. However, not all interviewees discussed all factors below.

5.6.2.1 Marital status and spouses' attitudes

All of our eight interviewees were either married or living together with their long-term partners. Their partners' views on a potential relocation were discussed by the majority of interviewees. However, overall, partners' opinions appear not to have been the decisive factor behind any decision. Instead, many interviewees emphasised that the decision was always their own.

5.6.2.2 Relocating or commuting to Mölndal

Interviewee *A*'s partner was positive from the start to a relocation and said that commuting would not be a problem for *A*. Interviewee *B*'s partner is self-employed and able to work anywhere in the country, which is an important factor for *B* who will be relocating to Mölndal next year. In contrast, interviewee *H*'s partner did not find relocation an option and was not positive to *H*'s commuting, but was however able to accept it as a short-term solution. Interviewee *F*'s partner was not willing to relocate, but was more positive to *F*'s commuting as many of the couple's friends have been in similar situations.

5.6.2.3 Leaving AZ

One interviewee said that he/she discussed the situation with his/her partner. However, the opinion of the partner was not seen as important as this particular interviewee felt that at the time there were no other feasible alternatives to relocating.

5.6.3 Financial rewards

There are two financial rewards to be considered when discussing the relocation decision. One is the packages offered including moving bonus, paid-for commuting costs or severance pay. The other is the salary offered at AZ or another company if the decision is to seek employment elsewhere. How the interviewees valued the packages has already been discussed above. In this section, we will focus on the salary as a factor in the interviewees' decisions.

5.6.3.1 Relocating or commuting to Mölndal

One interviewee had researched other job opportunities and was told that his/her current salary was too high. This interviewee therefore felt that it was important to stay at AZ to keep this level of salary and saw the salary as one of the most important factors behind the decision to relocate to Mölndal. Another interviewee also found the salary an important factor behind the decision to stay at AZ, together with the actual job and the commuting package.

5.6.3.2 Leaving AZ

Among the three interviewees who were leaving the company, one had signed an employment contract with a new employer. The salary at the new job was described as better than at the current position at AZ, which was part of the reason this interviewee decided to leave AZ.

5.6.4 Attachment to the current community

To what degree people feel attached to their current community is naturally related to their family situation and how long they have lived there.

5.6.4.1 Relocating or commuting to Mölndal

Interviewee *H* is not from Lund and has previously worked abroad, and thus did not feel a strong attachment to the community, but recognised that the family does. Interviewee *F* had a similar situation, describing him/herself as "rootless", and therefore did not find the move a major problem.

5.6.4.2 Leaving AZ

Two interviewees were originally from Gothenburg but had lived in Lund for many years and therefore felt that the ties to the community were strong. One of these two interviewees emphasised that the entire network of friends was in Lund. Having some family members and friends in Gothenburg was irrelevant, according to this interviewee, as his/her partner and children lived in Lund.

5.6.5 Education

Another determining factor behind the decision to relocate or not was discussed by two employees: education. This personal condition was discussed in two very different ways as one interviewee had very specialized education from university and the other did not have any university education at all. Both had decided to stay at AZ, which was partly due to a lack of job opportunities due to their education.

5.6.5.1 Relocating or commuting to Mölndal

Interviewee *H* found his/her education very specialised, which limited the number of job opportunities available. *H* said that this was a factor in the decision to stay at AZ. Interviewee *A* had a similar but at the same time different situation, as *A* had only finished secondary school. *A* saw the lack of advanced education as an important factor in the decision to commute to Mölndal, as *A* realised he/she would have to “start from the bottom” at a new workplace.

In conclusion, it is noticeable that 50% of the respondents born between 1965-1955 have decided to move to Mölndal. One finding from the interviews was that the youngest interviewee did not bring up age as a reason for leaving, since the determining factor was rather having young children. It could be recognised that many of the respondents who decided to move had children aged more than 18. Furthermore, the differences between genders were greatest in the decision to leave, since 70% were women and 30% men. Finally the interviews gave insight into employees’ thoughts on other personal characteristics, which had not been included in the survey. Partners’ opinions, financial rewards and attachment to the current community were also discussed.

5.6.6 Summary of the results

According to the relocation decision model (figure 1), people choose among alternatives by considering their consequences. Furthermore, the same model assumes that employees’ valuation of the relocation offer, personal values and personal conditions will influence the decision process. Therefore, the result is presented by following the structure of the relocation decision model. First, an overview of the respondents’ answers to the relocation offer was presented, followed by a table designed with the purpose of giving insights into how each relocation decision is or is not related to personal conditions. Second, the interviewees’ perspectives of their decision-making processes were described. The interviewee descriptions of their decision processes could be summarised in two elements, where the first element includes weighing alternatives and the second involves a discussion with partners or work colleagues. Third, the decision-making process was followed by a presentation of employees’ valuation of the relocation offer. The respondents were asked to evaluate each element of the offer by answering much appreciated or not as important for respective elements. Furthermore, we attempted to identify differences between the genders and relocation decision in how respondents valued the relocation offer. Fourth, in trying to understand how personal values influence their decision, we asked the respondents to answer what the three most important factors for their relocation decision were. These answers were also cross-tabulated with relocation decision, gender, age of children and year of birth. Finally, the

results of personal conditions were presented with some additional insights from the interviewees.

In trying to gain a deeper understanding of the how decision-making process is influenced and affected by employees' valuation of the relocation offer, employees' personal values and personal conditions, the results will be analysed and discussed in chapter six.

Chapter 6: Analysis

In this chapter, we compare previous research and theories with the findings of our study. Similarities and differences are highlighted and possible explanations are discussed. The structure follows the relocation decision model, beginning with a description of the decision-making process and continuing with the three elements of the decision.

6.1 Introduction

The relocation decision model (figure 1, p. 21) that has been presented earlier in the report is an explanation of the relocation decision process. It is suggested that the decision-making process includes three elements: employees' valuation of the company's relocation package, personal values and personal conditions. The company is assumed to influence the decision-making process by offering relocation support. However the employees are also likely to evaluate the organisation itself and their roles in it. The relocation decision model bases its assumptions in limited rational theory (March, 1994), which assumes that alternatives will be considered by their consequences in trying to select the alternative with largest return. It is assumed that human beings seek largest possible return (pleasure), and at the same time try to sacrifice as little as possible (minimise pain).

Firstly, the decision-making processes of our interviewees are discussed as our relocation decision model (figure 1) concerns decision-making processes of employees. Second, the importance of organisational support and the relocation package is analysed as a factor in the decision to relocate or not. Third, personal conditions and values are cross-analysed to reveal patterns of determining factors for the employees' decisions. Based on the results from the interviews and surveys, a new model is presented which better describes the decision-making process of the participants in our study.

6.2 Rational behaviour

In trying to analyse the decision-making process, interviewees with similar decision-making processes are summarised in a general discussion about rational behaviour. Human behaviour can appear irrational in the sense of economic rationality and yet be rational in non-economic terms (Schwartz et al., 2002), which is discussed in relation to the decision-making process. The following section emphasises different views of rational behaviour and also includes a discussion about whether people seek to maximise or satisfy.

6.2.1 Interviewees A, F and D

Interviewees *A* and *F* have decided to relocate/commute whereas *H* changed his/her mind and finally decided to leave the company. All three interviewees weighed alternatives against each other in order to find the alternative with the most economical benefits. For example, *A* prioritised salary and as a consequence found it most beneficial to relocate and keep the job. Other alternatives which would probably have resulted in lower salary were not considered as possible solutions without having to compromise on pleasure. This reasoning is in line with the hedonistic behaviour of humans to minimise pain and maximise pleasure. Both *A* and *F* were well aware of the benefits of keeping their jobs and therefore relocation/commuting was

considered to be most beneficial. *D* also thought about possible gains. As *D* during the decision-making process received a job offer from another organisation, a new alternative had to be considered. After some further reflection, the new alternative turned out to have the highest return, in the sense of economic benefits.

6.2.2 Interviewees B, G and H

These three interviewees' decision-making processes could be summarised, thus they are all very engaged and committed to their current jobs. It could be stated that rational behaviour for them is measured in terms of stimulation and meaningfulness in their jobs. In leaving the company these interviewees would have to sacrifice pleasure, since the alternative to work in another organisation, for all of them, most likely would require lower qualification compared to what they currently are doing. It is worth mentioning that leaving the company for other job opportunities would probably result in a lower income. However, this is not valued as a determining factor for *B*, *G* and *H*. Their rational behaviour is based on the importance of being able to continue doing what they are passionate about which could therefore be seen as irrational in the economic sense (Schwartz et al. 2002). However, we identify this behavior as self-fulfilment rationality.

6.2.3 Interviewees C and E

Interviewees *C* and *E* are typical persons who are irrational in economic logic. However, it could be argued that family rationality (Schwartz et al. 2002) is applicable. The interpretation from these interviews is that they prioritise being close to family and spending as much time as possible with their children. Their willingness to accept a lower salary in order to get a job in Lund as a substitute for moving, proves the statement that family rationality is relevant instead of economic rationality. Both family and economic rationalities are based on rational behaviour with the difference that family or economic logic is used to measure the highest return (Schwartz et al., 2002). It should be stressed that economic and family rationalities are not valued differently, since we believe that rationality is based on personal values. *C* and *F* thought it important to be with family meanwhile the other interviewees expected rewards to be a higher salary and the stimulation of keeping their current job.

6.2.4 Discussion about decision-making processes

According to rational decision-making theory, it is assumed that there are both maximisers and satisficers (March, 1994). Therefore it would be interesting to analyse whether the interviewees are seeking the highest return or are satisfied with alternative of "good enough". It is important to point out that there are no means of measuring whether people maximise or satisfy. The following discussion on maximising or satisficing is therefore based on our perspective. All interviewees were asked to describe their decision process, and it has to be taken into account that there are possibilities of re-constructing the processes. Both *C* and *E* emphasised that the decision to leave was made before they were offered to relocate. At the same time, they described how they were weighing alternatives against each other. One thought could be that they re-constructed the process, and in fact they were already satisfied with the option to stay in Lund and be with their families. If some employees do reconstruct their decision-making processes and find logical arguments for their decision in order to appear rational, limited rationality does not apply. However, this does not necessarily mean a less satisfactory decision. According to rational decision-making theory (March, 1994), the main difference between maximisers and satisficers is the amount of information and the motivation to understand all possible consequences (Schwartz et al., 2002). In comparing interviewees *C* and *E* with, for example *D*, we find a clear difference in how they search for information and calculate the consequences. It could be stated that *D* tries to maximise the

decision by valuating all available information of getting the highest economic return, whereas for *C* and *E* it was a good enough alternative and not necessarily an alternative with the highest economic return. At the same time, we do not suggest that people who disregard weighing all possible alternatives are left with a second best alternative. This statement could be proved by the fact that *C* and *E* did not consider all alternatives. However, in their perspective they have maximised pleasure by being with their family. We would like to point out, however, in the discussion of family or economic rationality, that family rationality does not automatically result in a decision to leave AZ. It may be more beneficial for the family to maintain a steady income through continued employment with AZ, which results in a decision to relocate or commute.

In sum, we have in the above interviewee groups seen that employees are guided by different types of rationality. Some value financial rewards more, others value closeness to family more. A third group are driven by a desire to receive stimulation through work. As long as the participants in each group make decisions according to their respective rationality, satisfaction is maximised. This is supported by and connected to social exchange theory, as people are assumed to evaluate costs and benefits in order to achieve equilibrium of exchanges (Thibaut & Kelley, 1959). We assume that an acceptance of the relocation offer is linked to certain costs, as the employee will have to relocate. For the equilibrium of exchanges to occur, the benefits, such as the relocation package, will have to balance the costs of moving in order for the employees to consider the offer. In this case, considering relocation is the social behaviour forming a part of the relationship between the organisation and the employee. Depending on what type of rationality guides one's decisions, relevant decision factors will be perceived as more or less costly or beneficial by different people. For someone mainly guided by family rationality, moving to a new location may be perceived as a very large cost. The relocation package may not be seen as beneficial enough to achieve equilibrium of exchanges. In contrast, an individual guided by economic rationality may perceive the financial benefits related to relocation as a significant benefit and may not see the costs related to relocation at large.

In our study, we found some support for the theory on limited rationality (March, 1994) using the definitions of Schwartz et al. (2002) concerning different types of rationality. However, some decisions appear to be made without having evaluated alternatives although a rational decision-making process is constructed afterwards. We draw the conclusion that rather than evaluating costs and benefits, other elements in a decision-making process such as role identification, guide the decision. Role identification will be more thoroughly discussed below. There are other suggestions of what elements might influence the decision-making process, for example organisational and managerial support. In the following section, employees' valuation of the company offering will be discussed.

6.3 Employees' valuation of the company offering

In this section, we will analyse the employees' view on the organisation and its managers which is also related to how psychological contracts are perceived. Furthermore, financial benefits consisting of relocation package and support for the family are discussed.

6.3.1 Organisational support and commitment

Employees are likely to evaluate the organisation itself and the support the organisation offers (Rousseau, 1989; Eisenberger et al., 1986). Considering the specific situation for AZ, where some employees are simultaneously losing their current jobs and offered new positions at the Mölndal plant, it is of interest to analyse how employees perceive organisational support.

It was found in a study by Allen, Shore & Griffeth (2003) that the decision to leave was influenced by how the employee perceived organizational support rather than motivation and satisfaction level. In our case, it could be interpreted that the more support employees receive, the more likely they would continue working within the organisation and relocate. This statement is supported to some extent in our study by the interviews. Some interviewees described how they received phone calls from their managers who encouraged and supported them to accept the relocation package, which was viewed as a very important factor for their decision. In contrast, some of the interviewees decided to relocate despite any encouragement from their manager. In addition, we received very positive responses of the company's support from the employees leaving. The job market days, assistance with writing a new CV and other workshops were much appreciated. It appears that the organisational support for the employees leaving was perceived as very strong. We can thus see strong perceived organisational support among employees who relocate and employees who are leaving. Lower perceived organisational support have also been shown to result in a decision to relocate. Therefore, we cannot say that perceived organisational support is a strong predictor of any decision.

6.3.2 Managerial support

Organisational support is to some degree expressed in terms of how managers communicate and support employees (Konovsky & Pugh, 1994). Purcell and Hutchinson (2007) discuss how managers' communication affect employees' perception of HR practices which also influence their attitudes toward the organisation. Purcell and Hutchinson (2007) suggest that managers' support is important, however not necessary for everyone. In addition, research indicates that the relationship between line managers and employees affects organisational commitment during a change process (Farndale et al., 2011). In comparison with our study we suggest that some managers succeeded in communicating support, which was appreciated by employees who expressed how important this support was for their decision. However, some employees who experienced lack of support from their manager still decided to relocate. Another employee who lacked managerial support, however, decided to leave and made it clear that the relation with the manager was an important factor for that decision. The other two employees who had decided to leave also expressed a lack of managerial support. However, there was no indication that stronger support had resulted in a decision to relocate. The variance of responses to managerial support is consistent with the findings of Purcell and Hutchinson (2007) and could be explained by the relationship between line managers and employee (Farndale et al., 2011). As many respondents of the survey also commented on the lack of support, we see this as an indication of its importance. This does not, however, suggest that managerial support is a determining factor of any decision, as we have seen that a lack of support have resulted in both leaving and relocation decisions. However, perceived managerial support does appear important for the majority of interviewees who decided to relocate.

6.3.3 Psychological contract

Employees' perception of the organisation is influenced by how strong the psychological contract is perceived to be. As soon as the contract is violated, employees may experience a strong feeling of both betrayal and loss of trust (Rousseau, 1989). Similarly to Fox and Krausz (1987), we did not find any strong reactions of disappointment or decreased loyalty, except for one interviewee. The lack of strong reactions could perhaps partly be explained by the understanding among employees of the decision to close one of the Swedish plants, and partly because employees expressed their acceptance of the decision. There was little support in our study that a violated psychological contract would result in strong reactions among

employees. On the contrary, we experienced a unique feeling of strong loyalty among employees towards AZ, which might have had a moderating effect on the reactions of employees. This is an unexpected effect of loyalty, as one would assume that strong loyalty would indicate strong psychological contracts and thus result in negative reactions when the contract is violated. An explanation to the lack of negative reactions may be the support offered by AZ to the employees, including those leaving the organisation.

6.3.4 Financial rewards

The relocation packages were known to the employees shortly after the announcement of the plant closure. Our study has indicated that some of the elements in the relocation packages were important for the decision to relocate or commute. However, as the packages were known to the employees at the time of the decision, their influence on the decision cannot be isolated. There was never an offer of relocation without the financial rewards and it is thus impossible to say whether the financial support affected willingness to relocate. Therefore, we cannot support nor discard the results of the study by Turban et al. (1992), which indicated a positive relation between financial rewards and a decision to relocate.

6.3.4.1 The relocation package

In the relocation decision model (figure 1), the relocation packages offered by AZ were seen as a means of influencing employees to relocate or commute to Mölndal, in accordance with reinforcement theory. It was hypothesised that employees' valuations of the packages offered were one factor in the decision to relocate or not. A positive valuation of the offering would thus suggest a greater probability of relocation or commuting, whereas a negative view of the offering would mean a tendency to leave the organisation. In our findings, however, we have seen a very positive view of the relocation offer from all employees. Perhaps surprisingly, the employees leaving the organisation are more positive to it than the employees who will actually receive the monetary incentives. This fact leads us to the conclusion that valuations of the relocation offers cannot predict certain decisions. The reason for the positive valuation of the relocation packages by the employees leaving the organisation may be related to the factor being non-significant in their decisions. In other words, a decision to leave may already have been made when the packages were announced. Thus the specific details of the offers were never closely evaluated. This explanation is supported by two interviewees, *C* and *E*, who suggested that their decisions were made shortly after the announcement of the plant closure, and that the relocation package was not important for these decisions. However, among the employees relocating or commuting to Mölndal, the moving bonus was said to have been a very important factor for their decisions and can therefore be seen as a determining factor for some employees. Our conclusion is that the *valuation* of the relocation package is not a determining factor in the relocation decision model. However some *elements* of the relocation package may be significant.

According to the survey, 32% responded that they lacked factors in the relocation offer. Out of these 32% only 22% claimed that they would have changed their decision if the relocation offer had been formed in another way. However, such a claim may not be completely true since there are more factors influencing their decision. The low number of respondents indicating that the decision would have been different if other elements had been added to the relocation package and the doubtful actual result of a change in the packages, add support to our previous conclusion that the valuation of the relocation package cannot predict certain decision.

In the discussion concerning the relocation offer, it is also important to point out the somewhat paradoxical effect of the different packages offered. According to AZ's severance

policy, employees with a long tenure receive a large severance pay. If certain behaviour is to be encouraged, in this case relocation, it is somewhat counterproductive to offer a sum of money to the ones leaving the organisation which, in some cases, is equal to that given to the ones relocating. We do not question reinforcement theory (Skinner, 1953). However in this case the relocation package does not appear to have the intended effect on all employees, due to the fact that the alternative offers similar financial benefits. It was clear from the interviews that the severance pay was a significant factor that facilitated the decision to leave for all three interviewees leaving AZ. As the severance pay packages were known to the employees at the time of the plant closure, having been in place for many years, it is likely that the decisions of employees were affected by this. This being a previously known condition, however, it is difficult to say how significant the influence of the severance pay packages was to employees leaving the organisation. We suggest that despite of being guided by economic or family rationality, employees could be influenced by i.e. economic incentives. It cannot be ignored that the severance pay package makes the alternative to leave very attractive for some employees with long tenure who receive more than a year's salary. The different alternatives available to employees, i.e. relocating, commuting or leaving, come with equally beneficial packages in financial terms when ignoring continued salary payments related to continued employment. At least this is the case for long tenured employees. From our study, we suggest that when presenting equal financial benefits to employees facing a decision, personal conditions and personal values are allowed to be determining factors.

Similarly to the severance pay package, the relocation package was a known condition at the time of the decision. Therefore, we cannot isolate the impact of the relocation package for the employees' decisions. Whether or not included as one of the three most important factors for the decision, altering the financial relocation support may very well change the outcome of the decisions for some employees who place high value on economic rewards.

6.3.5 Family support

In this section, we will discuss how employees perceive the company's attempt to influence the employees to relocate through offering support directed at their family members. In the following sections on conditions and values, the actual influence of partners' attitudes and support for the relocation decision are explored. In the discussion on conditions and values, it is not only the company offering that is taken into consideration but also the conditions of the partner. Studies indicate that it may be in the company's interest to try to influence the attitudes of the family in order to increase their support for a decision to relocate (Fox & Krausz, 1987; Sagie, Krausz & Weinstein, 2001). In our survey, several respondents indicated that their partner's job opportunity in the Mölndal area was a significant factor for the decision to relocate. This is a condition that clearly has a positive effect on the partner's attitude toward relocation, and subsequently on the attitude and decision of the employee. The attitude of the partner is significant but is strongly related to the conditions at hand. In contrast to the employees quoting their partner's support as important, one interviewee expressed strong resistance by their partner but still decided to commute to Mölndal. This result does not correspond with the findings of the relation between partner's attitudes and the employee's decision (Fox & Krausz, 1987; Sagie, Krausz & Weinstein, 2001). In addition, the only element of the relocation package directly related to the partner is the offer of a job coach, was the least appreciated element of the package. Furthermore, it was not mentioned by a single respondent as a determining factor in their decision. This leads us to question both the importance of the partner's support and the relevance of having a job coach as part of a relocation package. It is likely that it is the partner's actual opportunities for employment in the new community that are of importance, rather than having a job coach. There was a significant difference in the genders' views on job coaches for partners. Women tended to

appreciate this factor more than did men. One possible explanation could be that men are to a larger extent unwilling to accept help and support (Eby, DeMatteo & Russell, 1997).

As we will see in the following discussion on conditions and values, the partner's opinions and support are clearly important for most employees. However the organisation's support directed at the partner does not appear to be a significant factor.

To summarise the employees' valuation of the company offering, we suggest that the manager plays a pivotal role in how organisational support is perceived as both relocating employees emphasise the positive effects of managerial encouragement and employees leaving express a lack of managerial involvement. We thus argue for a stronger importance of managerial support than do Purcell and Hutchinson (2007). Organisational support is expressed through managerial support (Konovsky & Pugh, 1994), which also makes the former an important factor for employees, even if the importance of organisational support was not clearly expressed in the interviews. We found little support for the existence of strong psychological contracts through the lack of strong reaction, similarly to Fox and Krausz (1987). Furthermore, efforts directed at supporting the family appear non-significant for the decisions of employees, in contrast to findings by Fox and Krausz (1987) and Sagie, Krausz & Weinstein (2001). The relation between financial rewards and willingness to relocate could not be confirmed due to two factors: the relocation offer was never presented without the financial incentive as a part and the alternative of leaving was also related to financial compensation. However, as the moving bonus was a determining factor for the decisions of many movers and commuters, we suggest that financial rewards clearly do affect the decision to stay at AZ.

6.4 Conditions and values

The relocation decision model (figure 1) assumes that personal conditions and values are, besides a valuation of the company offering, factors in the decision-making process of employees offered relocation. In the previous section, we have discussed how employees view the organisation. In this section, we will discuss the two remaining decision factors.

When discussing the personal conditions and values of our respondents, it is difficult to separate one condition from another as they are often interrelated. For example, age and tenure are often related, as well as age and children of certain ages, as supported by Sagie, Krausz & Weinstein, 2001 and Cotton & Majchrzak, 1990. Personal conditions may also be related to personal values, as an employee's age may be indicative of how future career opportunities within the current organisation are viewed (Sagie, Krausz & Weinstein, 2001). In previous studies, such as those mentioned in the chapter on theory, each condition was tested individually in relation to willingness to relocate (Feldman & Bolino, 1998; Sagie, Krausz & Weinstein, 2001; Brett, Stroh & Reilly, 1993; Gould & Penley, 1985, Landau, Shamir & Arthur, 1992; Eby & Russell, 2000; Cotton & Majchrzak, 1990). For the purposes of this paper, however, it is more valuable to discuss several personal conditions together, as our aim is to find the underlying factors of a certain decision. Our respondents faced with the decision to relocate or not, did not only factor in certain conditions. Nor was one single condition only attributable to certain values. Thus, in order to understand the decisions of our respondents, personal conditions and values will be discussed both individually and together.

6.4.1 Age and tenure

Among the older respondents (born in 1955 or earlier), 9 out of 15 chose to either relocate or commute to Mölndal. We can thus see a slight tendency among the employees over 55 years of age toward a decision to stay at AZ. This result differs from the majority of studies performed on willingness to relocate which suggest most relocating employees are younger (Feldman & Bolino, 1998; Sagie, Krausz & Weinstein, 2001; Brett, Stroh & Reilly, 1993; Gould & Penley, 1985, Landau, Shamir & Arthur, 1992; Eby & Russell, 2000; Fox & Krausz, 1987). The tendency found in our study is also true when combining the two age groups 45-55 and 55 and older. In these two groups, 65% are relocating or commuting. This result is even more significant when compared to the two younger age groups of employees born between 1966 and 1985, where 52% are relocating or commuting. We can, despite a high frequency of movers and commuters in our study, see that the older employees to a greater extent stay with the company. The reason why older employees decide to stay at AZ may be related to the difficulty commonly associated with finding a new job at an age when retirement is approaching. Furthermore, it may be more difficult for older people to adjust to new conditions which would probably be necessary if changing jobs. On the other hand, moving to a new community is also related to adjustment to new conditions, which may be especially difficult for the more elderly (Sell, 1983), although the employer and some of the colleagues are the same which provide a feeling of security. The choice to relocate or not may therefore be dependent on what alternatives are available and what personal characteristics the employee possesses. For example, one of our interviewees in this age group did not find the prospect of changing jobs difficult; instead this employee was looking forward to the change. However, this may be related to the attractiveness of the new job that had been offered to the employee in question. For the employees choosing to stay at AZ, equally attractive alternatives may not have been available. Another plausible explanation is presented if age is related to tenure. As supported by the fact that 80% of employees at AZ in Lund have more than eight years of tenure⁷, it is likely that many employees born in 1955 or earlier have a long tenure. A discussion of the effects of long tenure may thus be connected to the results discussed above. In accordance with psychological contract theory (Rousseau, 1989), employees with long tenure have strong psychological ties to the organisation. The question is, however, what effects this has in the specific situation of plant closure and relocation? A strong psychological contract with the organisation may lead to the employee wishing to continue his/her employment there. Commitment to the organisation is also believed to increase with age and tenure (Ritzer & Trice, 1969), as employees' investments increase, in accordance with Becker's (1960) side-bet theory. On the other hand, the announcement of the plant closing may have violated the perceived psychological contract for some employees, as providing a stable working environment is one aspect of the organisation's obligations to its employees (Rousseau, 1989). Therefore, if the contract is perceived to be violated by some employees, a negative reaction can be expected and the employees may wish to leave the organisation. However, we did not find that there were any strong negative feelings toward the organisation among our interviewees. On the contrary, strong feelings of continued loyalty were expressed. Our findings related to age may therefore be a result of a perception among the employees that the psychological contract has not been violated, despite the decision to close the plant.

Another reason why we have found that a majority of the employees in the age group 55 years and older relocate or commute may be related to the nature of the situation. Our study is different from many previous studies on employee relocation, as we are investigating a plant

⁷Interview with AZ HR representatives, 18/3/2011

closure, as opposed to an individual employee transfer which is often related to a job change or promotion (Eby & DeMatteo, 2000). In the case of AZ Lund, employees will not keep their jobs unless they relocate and the choice is thus not completely voluntary. In a normal employee transfer such as those previously studied, there may also be some pressure from managers or others to accept the relocation offer. However, the alternative is generally not job loss. This is applicable to all employees at the plant in Lund, but older employees may find it more difficult to find a new job, as previously mentioned. This hypothesis is also strengthened when reviewing the determining factors of the employees leaving AZ in this age group, as no job or career related factors are mentioned. Employees from other age groups have suggested a belief in career opportunities in other organisations as one of the most important factors in their decision to leave. However, this is not the case for employees aged 55 or older. One could therefore assume that for employees approaching retirement, the belief in career opportunities is not very strong, nor is it highly prioritised. Surprisingly, however, the employees born between 1966 and 1975 that are leaving, share the same family and community related determinants as the employees aged 55 or older that are leaving. One would perhaps expect there to be a strong belief in career opportunities for employees aged 35-45 and that this would be an important factor in their decision to leave, as they are in the midst of their careers. Instead, factors related to the family and community are ranked highest in importance, similarly to the oldest age group. This is likely to be related to having young children, a factor that increases attachment to community (Feldman & Bolino, 1998). The older employees who are approaching retirement have already had a long career and other factors may thus appear more important. For all employees choosing to leave, severance pay related to tenure facilitates this decision. This specific detail is important to distinguish, as the financial benefits make it possible for employees with long tenure to prioritise family and staying in the current community. The financial support offered to employees leaving makes the option of relocation easier to disregard and family rationality is therefore quoted as the underlying rationality of decision-making. However, family rationality may not have been possible without the financial support, which suggests that economic rationality is taken into account first.

6.4.2 Gender

When comparing the answers of men and women, we have found many interesting results among the women in our study. Drawing conclusions based on these results is difficult, as we have seen some very differing answers. For example, we have seen that the majority of employees leaving are women, which is in line with Turban et al. (1992), who suggest that women are less willing to relocate than men. As these women have also rated family considerations as important for their decision, one can be tempted to add reinforcement to the traditional view of women as mothers being therefore primarily responsible for the care of children (Markham & Pleck, 1986). However, we have also seen that almost half of the employees relocating or commuting are women. This fact contradicts many of the previous studies (Turban et al., 1992; Markham & Pleck, 1986) which suggest that the majority of relocating employees are men. As suggested by Brett and Stroh (1995) and Markham et al. (1983), women who are the main providers of the household are equally as willing to relocate as men. This may be one factor explaining the results we did however not ask for salary or household income in the survey or interviews and we can therefore not confirm nor discard this hypothesis. The fact remains, however, that 70% of the employees leaving are female. Among the male employees leaving, children's school attendance, family/friends and Mölndal as the destination are most frequently mentioned as factors in the decision to leave. Among the women leaving, satisfaction with the current community is the most frequent factor, followed by children's school attendance, family/friends and Mölndal as the destination. We

can thus see that women to a higher degree place more value on the current community than men, in accordance with Baldrige, Eddelston & Vega, 2006, although the rest of the determining factors are common for both sexes and ranked in the same order. It may be that women to a greater extent than men ascribe the current community factors such as well-being, both the family's and one's own, although we have not found any support in the literature for this hypothesis. In accordance with Markham and Pleck (1986) among the employees relocating or commuting, both men and women quote career opportunities within AZ and moving bonus as the most important factors.

6.4.3 Children

Previous studies suggest that employees with children are less likely to relocate (Turban et al., 1992), although having children in high school suggested a stronger likelihood of relocation than employees who had younger children (Turban et al., 1992). We found that the majority of employees with children aged 13-18 will not relocate. This result is contrary to that of Turban et al. (1992), who hypothesised that employees with children at high school relocate due to expecting to have to pay for college fees in the near future. As the Swedish education system offers free education, this concern does not apply, which may be the reason for the differing results. In our survey as well as during the interviews, it was also stated that one of the major reasons for deciding to leave AZ was that the respondents did not want to force their teenage children to relocate, as this would interrupt their social network and the stability this offers.

As we have a small number of employees in our sample who do not have children, it is difficult to compare our results from this group with the results of previous studies. However, in our study we have found that five of seven employees without children will relocate or commute, indicating that not having children has a positive effect on willingness to relocate. This differs from studies (Cotton & Majchrzak, 1990; Feldman & Bolino, 1998; Fox & Krausz, 1987; Brett & Reilly, 1988; Gould & Penley, 1985) which suggest that there is no relation between children and willingness to relocate. In addition, from our interviews, all the interviewees mentioned children as an important factor for their relocation decision. Due to the small sample, the above statement only shows a tendency. The statement is however in line with the suggestions of other studies (Turban et al., 1992; Landau, Shamir & Arthur, 1992; Eby & Russell, 2000) that employees having children are less likely to relocate. With regard to the age of the children, we have found that the majority of employees with children aged 18 or older will relocate or commute to Mölndal. Previous case studies (Turban et al., 1992; Landau, Shamir & Arthur, 1992; Eby & Russell, 2000; Cotton & Majchrzak, 1990; Feldman & Bolino, 1998; Fox & Krausz, 1987; Brett & Reilly, 1988; Gould & Penley, 1985) do not mention children aged 18 or older as a significant factor for relocation. At this age, children will finish secondary school and move out, thus facilitating the decision to relocate to another community as parents will not have to consider children's school attendance, which has proven an important factor for employees leaving AZ. The fact that older children's school attendance does not need to be considered was confirmed during the interviews.

Among the employees with children aged 0-12, there is an almost equal distribution as 14 employees are leaving AZ and 13 will relocate to Mölndal. At this age, children do not have the same social network as teenagers and may therefore be relocated more easily. This supports the high number of employees relocating. However, more than half of the employees with children of this age will leave the organisation, which is supported by previous studies (Martins, Eddleston, & Veiga, 2002; Bielby & Bielby, 1992) and no easy conclusion can therefore be drawn. When comparing the determining factors for the decisions of the employees of this group, an interesting anomaly appears. The conclusion could be drawn that

if the age of children is 0-5 years, this is not a determining factor of a decision to relocate or leave. However, commuting seems to be more influenced by the age of children based on the fact that no one is commuting from this group. One of the respondents who mentioned children's school attendance has other children in older age groups and we could assume that the child who is already at school influences the decision to leave instead of moving to Mölndal. The movers with children aged 0-5 have not quoted moving bonus or career opportunities as important factors for their decision as all other employees who have made the same decision. Instead, family/friends and Mölndal as the destination are the two most frequently quoted factors among the five employees belonging to this group. Based on the comments of the survey, this is partly related to the existence of social contacts in Mölndal and the surrounding area, which may be especially important when the children are young as babysitters are often needed. The reasons for this surprising result could be the subject of further research.

According to Markham et al. (1983), women tend to be less willing to relocate in comparison to men since women have a potentially stronger association of relocation with family conflict. Table 2 (page 32) includes details of how women and men decide to relocate, commute or leave depending on the age of children. There is no significant difference between genders when the children are 0-5 years old. There is, however, a significant difference in employees with children aged 6-18 years between the genders and their relocation decision, which is in accordance with the study by Baldrige, Eddleston and Vega (2006). Women are to a larger extent leaving the company for the reason that their children's school attendance and children's social life is more important than their own career at the current organisation. These findings are in line with Baldrige, Eddleston and Vega (2006). As suggested by rule-following (March, 1994), decision-makers need to be able to determine what their identities are, which are both constructed and imposed upon each individual. Different behaviour and attitudes about oneself will be evoked depending on the environment (March, 1994). The fourth mechanism for evoking identity is from the social context (March, 1994). Following rules is not a matter of being dutiful in obeying rules. Instead Garfinkel (1974) argues that social order is produced and indicates, for example, how a woman is supposed to act. Concluding the results in the survey it could be assumed that women identify themselves as "mothers" and consequently choose to leave. Is it possible to state that social constructions prove that women experience more pressure and/or expectations of being a parent rather than being a career woman? To some extent, it could be possible, but it is important to remember that social constructions also change over time as a result of experience, according to rule-following theory (March, 1994). Although the theory assumes that experiences change individuals' interpretations of identities, we believe that personal conditions could also be an explanation to why roles change and why different identities are evoked. One of the interviewees was a woman who had teenagers and decided to relocate. When she described her decision process, she emphasised that her personal conditions were crucial for her decision. She said that relocation was possible as her husband was self-employed and had both the flexibility and opportunity to spend much time at home. In this example, it is the personal conditions, rather than previous experience, that made it possible for her to assume a role as a career-oriented employee. However, the concept of rule-following (March, 1994) could be questioned, as a decision may only not be a matter of assuming a certain role according to expectations; instead rule-following is dependent on what decision is actually possible due to personal conditions. In other words, an employee choosing to fulfil the role of a homemaker may only do so if the financial situation allows him/her to do so.

6.4.4 Marital status and spouses' attitudes

From the results it could be stated that all respondents that are single have decided to move or commute; on the other hand married people represent all three outcomes; moving, commuting and leaving. It is difficult to draw conclusions from this result, but it could be argued that single people might have less attachment to community and family factors are less significant than for married people, as supported by Feldman and Bolino (1998) as well as Fox and Krausz (1987), indicating a greater willingness to relocate.

Since there are married people both moving and leaving in our sample, it could be of interest to consider whether spouses' attitudes influence the decision or not. It has been suggested that spousal attitudes influence willingness to relocate (Eby & Russell, 2000). We did not ask for the partners' opinions of the relocation decision, but we received some comments from the respondents. A few respondents stated that the determining condition for the decision was that their partner also worked at AZ and was offered a job in Mölndal. There were similar comments from other respondents who also claimed that this situation made it possible for them to accept a move. These comments argue that partners' opinions more or less influence the decision. As previously mentioned, interviewee *H* emphasised that his/her partner's attitude toward relocation was negative; still the interviewee decided to commute. We have thus heard both support and disregard of spouses' attitudes as an influential factor in a relocation decision. There could be other possible explanations than spouses' attitudes that will influence how family conditions affect a relocation decision. One explanation may be related to family power theory (Heer, 1963) and the discussion on single and dual-earning marriages (Eby & Russell, 2000; Pellico & Stroh, 1997). Although this has not been examined in our study, it could be assumed that the partner with the greatest resources in the family, possibly due to being the only or main provider in the marriage, possesses the greatest power in decisions concerning the family.

When summarising the most important findings related to personal conditions and values, we can see that the majority of movers and commuters are in the later stages of their careers as they represent ages 45-65, which differs from previous studies (Feldman & Bolino, 1998; Sagie, Krausz & Weinstein, 2001; Brett, Stroh & Reilly, 1993; Gould & Penley, 1985; Landau, Shamir & Arthur, 1992; Eby & Russell, 2000; Fox & Krausz, 1987). Movers and commuters often had children over 18, which is likely to be related to their own age. It differs from studies (Cotton & Majchrzak, 1990; Feldman & Bolino, 1998; Fox & Krausz, 1987; Brett & Reilly, 1988; Gould & Penley, 1985) which suggest that there is no relation between children and willingness to relocate. We have also seen that the majority of leavers are women, in accordance with the study by Turban et al. (1992). We do not see any major differences between men and women choosing to relocate or commute in terms of values. However, the values of movers and commuters with young children differ significantly from other employees who have older children. Although family factors are valued by both men and women leaving the organisation, women place higher importance on the current community (Baldrige, Eddleston & Vega, 2006). Single employees relocate or commute whereas married people consider their partner's conditions and job opportunities. Based on our interviews, personal conditions always appear to function as a base for the decision-making process. This is further explained below as the new relocation decision model is presented.

6.5 New relocation decision model

After analysing the results from both the survey and interviews, the relocation decision model (figure 1) is re-formulated. We propose that personal conditions function as a base for all decisions. Gender, year of birth, age of children and marital status are factors which design

individual starting points. The fact that decision-makers are of a certain age, have children or not, are unchangeable and will therefore be an indicator of how other factors will be valued. Different factors, such as satisfaction with the current community, belief in career opportunities and family situation will be considered in different ways depending on personal conditions and values, as supported by Locke (1976). Some of these factors are decisive and will make the swing tip to either the right or left side, which results in moving, commuting or leaving. In this model, the basis of the seesaw is made up of personal conditions as these construct individual starting points. On top of the personal conditions, different factors are placed as “building blocks” depending on the personal conditions of the employee. These building blocks may be elements of the relocation package and different personal values, such as a desire for a continued career within AZ or giving priority to children’s school attendance. In the relocation decision model (figure 1), it was assumed that all employees evaluated the relocation package and weighed in personal values and conditions in their decision. Organisational support was assumed to influence the evaluation of the relocation package, employees’ values and certain conditions. Based on the results of our study, we have included the relocation package as another “building block” in the seesaw model, as it is not considered by all. In addition, the relocation package appears to be included in the decision to the same degree as other factors, such as career opportunities. The role of organisational influence has also changed as for some employees it was important for their decision, whereas others did not appear to consider this at all. This makes the elements of organisational influence another building block in our model.

The new model presented below is called “the Seesaw Model” and will be exemplified in the following section.

6.5.1 An example of the Seesaw Model

The model below aims to describe the new relocation decision model, where personal conditions are the foundation for the decision process. The following model is an example from one of the interviewees who was a woman, born between 1966-75 and had young children. The following determining factors show how the swing tips to the right which resulted in the decision to leave. In this example, the interviewee placed high value on children’s school attendance and staying in the current community. In addition, the interviewee had a strong belief in finding another job. In contrast to our original relocation decision model (figure 1) where organisational influence as shown in the relocation package is assumed to be included as an indicator of a decision, this interviewee did not place any emphasis on the relocation package at all.

RELOCATE/COMMUTE

LEAVE

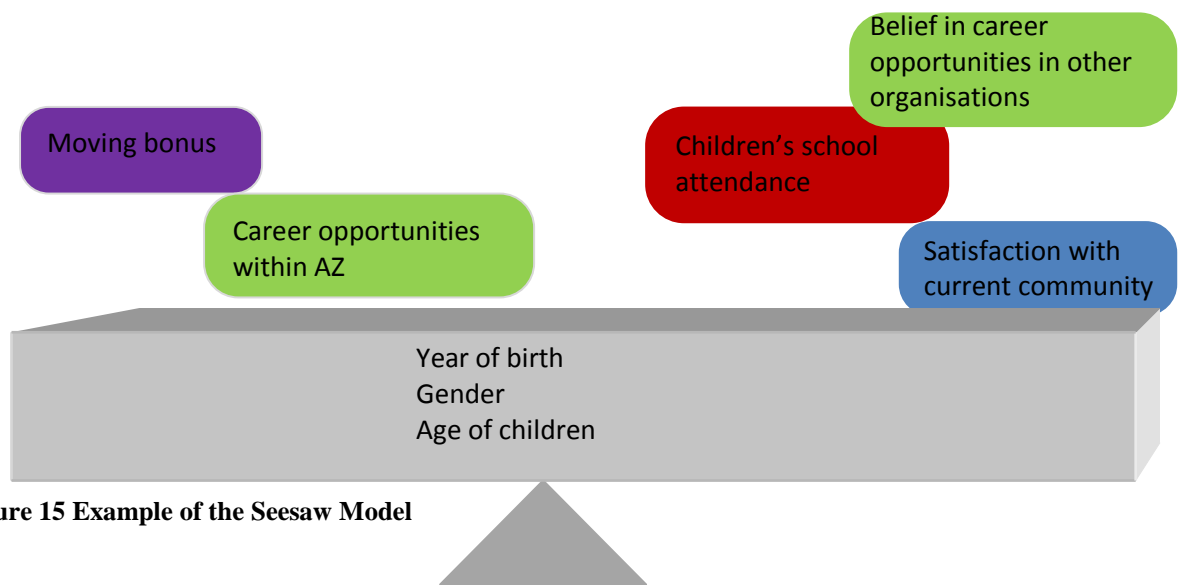


Figure 15 Example of the Seesaw Model

6.6 Summary of the analysis

In this analysis, we have reviewed the interviewees’ decision-making processes and concluded that three types of processes can be distinguished. Based on these types of decision-making processes, a discussion of their respective rationalities was held and it was found that some processes are based on family rationality, others on economic rationality or self-fulfilment rationality. After this, the new relocation decision-making model was introduced – the Seesaw Model, which differs from the original model based on limited rationality (March, 1994), as the Seesaw Model does not assume that the valuation of the relocation package guides the decision to relocate or not. Instead, some factors in the relocation package are considered in the decision, however it is the personal conditions that determine the outcome of the decision. How personal conditions have both direct and indirect effects (through personal values) was explored in the last section of this chapter. Some interesting points were found, such as a decision to relocate or commute was often determined by the fact that the children were aged 18 or older and that the employees with these conditions placed great emphasis on the moving bonus and future career opportunities within AZ as factors in their decisions. Having teenage children did not appear to increase willingness to relocate, as predicted by Turban et al. (1992). On the contrary, employees with teenage children expressed a strong reluctance to uproot their children. As expected, commuters explained their decision to commute by their attachment to the present community. The employees leaving the organization shared the commuters’ attachment to the community. However family-related values are also more significant in their decisions. The strong presence of family-related values among the leavers may be related to the experienced goal fulfilment related to their social lives (Ferriman, Lubinski & Benbow, 2009). As the majority of employees choosing to leave are women, this has been the underlying determining personal condition. These different values and conditions interplay to form three different seesaw models, leading to three different decisions: relocating, commuting or leaving the organisation. The three different decisions and their determining factors are summarised in the three models below.

6.6.1 The seesaw model: decision to relocate

For movers and commuters, the underlying precondition is that they have children over 18. On top of this, moving bonus and career opportunities within AZ are viewed as determining factors for the swing to tip to the left.

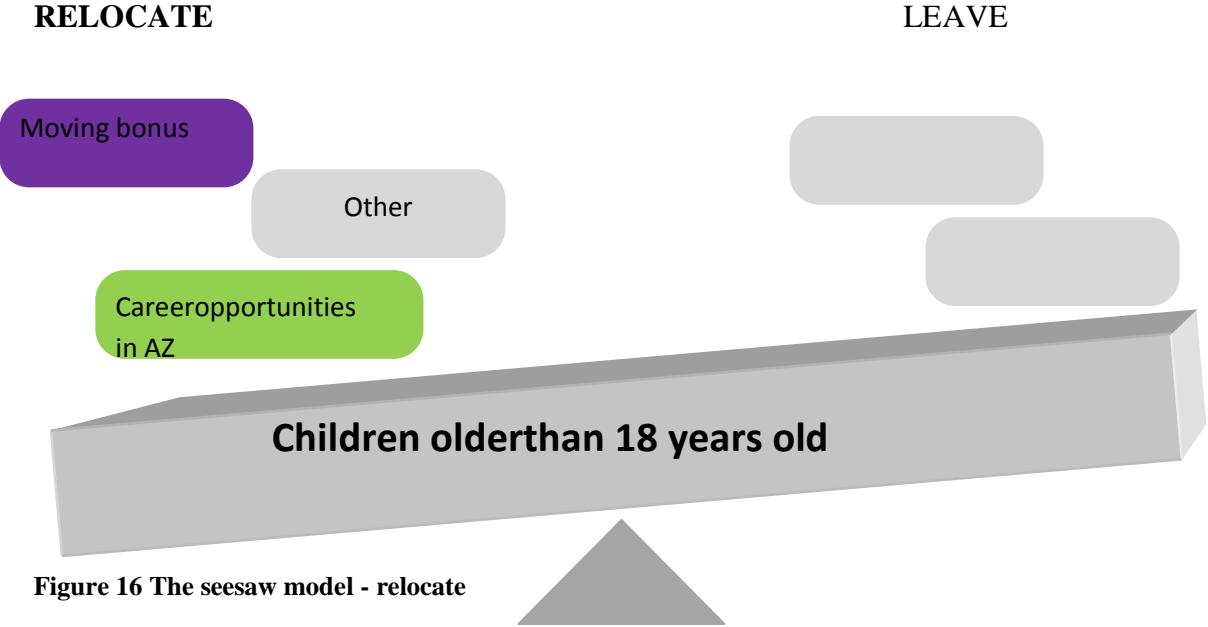


Figure 16 The seesaw model - relocate

6.6.2 The seesaw model: decision to commute

Commuters also value being in the current community, which explains their decision.

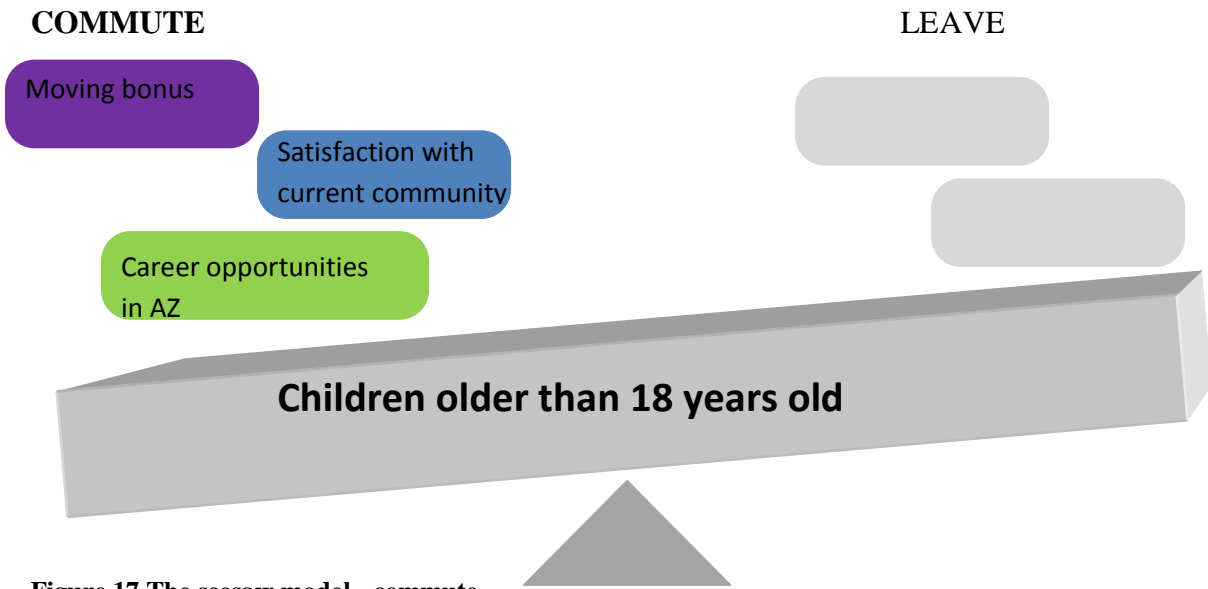


Figure 17 The seesaw model - commute

6.6.3 The seesaw model: decision to leave

Among the leavers, we have found that the typical leaving employee is female, thus making this condition the basis of the seesaw. On top of this condition, the following values are seen as determining for their decision: family/friends, children's school attendance and satisfaction with the current community.

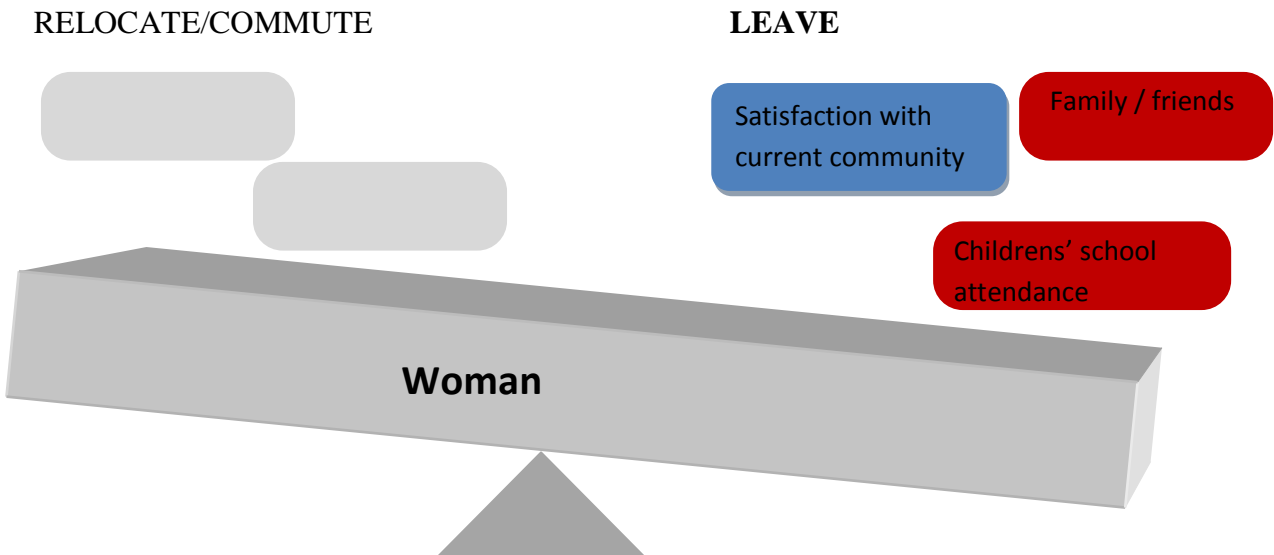


Figure 18 The seesaw model - leave

Chapter 7: Conclusions and Reflections

In this chapter, our most important findings are presented in order to answer our research question. In addition, theoretical and practical implications of the study are discussed. The chapter is concluded with some reflections of the authors.

7.1 Conclusions

In this study, we have attempted to determine what factors affect a decision to accept or decline a relocation offer due to plant closure and corporate relocation. To answer this question, we investigated three areas hypothesised to be elements in the decision: the employee's valuation of the company offering, the employee's valuation of work life versus social life and the employee's personal conditions.

From our study, we concluded that the relocation package was appreciated by all, however especially by the employees leaving the organisation. One element in the package, namely the moving bonus, was said to have been a determining factor for many employees' decisions to relocate. However, the individual significance of the relocation package for such a decision could not be isolated as the offer of relocation was never presented without an accompanying relocation package. Furthermore, organisational support in the form of managerial support appeared to be an important factor for the decisions of employees, both for movers, commuters and leavers.

With regard to work life and social life priorities, we could see that the movers and commuters appreciated the career opportunities offered in AZ, which was decisive for their decisions. The employees placing high value on family-related factors emphasise these as basis for their decisions to leave. The valuation of and the choice between work life and social life appears to be significantly related to the personal conditions of the employee. For instance, many movers and commuters suggest that their decisions were facilitated by the fact that their children were aged 18 or older.

In addition to the findings regarding the company offering and the personal values of the employees, we were able to identify a number of personal conditions that affected the relocation decision. Our findings indicate that older employees relocate or commute to a larger extent than younger employees. Among the movers and commuters, the number of men and women represented were almost equal, however among the leavers, a significant majority were women. Due to the large proportion of married employees in our study, we cannot draw any conclusions on influence by spouses. However, it was clear that single employees did not factor in family related variables and all employees from this group decided to relocate or commute. Children appeared to be very strongly related to the relocation decision; however different outcomes of the decision could be found dependent on the age of children. The majority of employees with children aged 18 or older relocated or commuted. In contrast, having teenage children appeared to be negatively related to willingness to relocate. Among the employees with children aged 0-5, a pattern could not be found.

To summarise and answer our research question, we suggest that it is the employee's personal conditions that form a basis and starting point for the decision-making process. Based on a

number of variables such as children or age, individual starting points are created which indicate which personal values are emphasised in the decision. The employee's valuation of the relocation package does not, however, add a clear indication of the outcome of the decision.

7.2 Reflections

During the course of this study, we continuously returned to the topic of loyalty among employees and how it may be affected during restructuring and downsizing. Despite seeing an end to their and some colleagues' employment at AZ, employees continued working hard and fulfilling their commitments to the organisation. Going into this study, we expected to see significantly stronger reactions among the employees as a result of psychological contract violations. This psychological contract violation ought to have decreased loyalty, in accordance with Hirschman's (1970) theories on exit, voice and loyalty. Contradictory to this, continued loyalty to the organisation was expressed through continued hard work, even among the employees leaving. We thus do not believe that the loyalty to the organisation ends with the exit from it. However, the loyalty to other actors, such as family members, may be stronger among the employees leaving. In the current globalising economy, organisations experience pressure for increased mobility, which in extension puts demands on the employees. However, in light of the above discussion, is it really worth trying to improve the loyalty of employees in order to increase their mobility? Our study clearly shows that there are many other factors that are more significant to the mobility of employees, such as one's personal conditions. The importance of personal conditions may be related to the setting of this study, as Sweden is known for its gender equality and high percentage of female workforce. Being part of a dual-earning marriage may be more significant in this country, increasing the work-family conflict. In addition, we believe that this study may also be Swedish in the sense that such a strong emphasis was put on community attachment.

Although loyalty to the organisation appears to play a small role in the relocation decisions of employees, perhaps due to the strong importance of personal conditions, attempts to increase loyalty do have positive effects. Goodwill is created by word-of-mouth from the employees, and it appears that even the employees leaving will add to the organisation's good reputation. The behaviour of top management in a downsizing organisation and the packages offered to employees in this case may not increase loyalty in all cases. They do, however, increase goodwill.

In addition to the geographical aspect of this study, we also reflected on the times in which it is set. Sweden has currently experienced high economic growth rates, which was also the case when the announcement of the Lund plant closure was made in 2010. In contrast, AZ is experiencing strong competition from generic drug manufacturers and is facing patent expirations for several of its products. These two situational factors have contrasting effects on the organisation and its employees. The decisions of employees may partly be explained by how they view these two situational factors and their potential impact on the organisation. Related to this are also the two contrasting messages of the organisation, as one plant is closing whereas another one is the centre of significant investments. How this affects loyalty among employees is interesting to discuss, as some employees benefit from the advantages of the new organisation in contrast to their colleagues who only experience the negative aspects of organisational change. In addition, we have already pointed out the paradoxical effects of a generous severance package, which in combination with the economic boom, organisational challenges and reorganisation send very contrasting messages to the employees. Greater

insight into what really matters for employees facing downsizing will help managers determine in which areas more effort can be placed to achieve the results desired.

7.3 Theoretical and practical conclusions

Through the study of this case, we have contributed to the existing knowledge on employees' decision-making during downsizing and relocation. We add a Scandinavian perspective to the studies on personal conditions predicting willingness to relocate, with the added element of personal values as an explanatory factor to the reasoning behind the decision. In addition, we have increased the understanding of the importance of organisational support, both in financial and psychological terms, to the decision to relocate or leave the organisation. Our development of a new model, "the Seesaw Model", summarises and explains the findings concerning employees' decisions to relocate, commute or leave the organisation. This model shows that personal conditions form the basis for each employee's starting point from which certain indicators of different decisions can be drawn.

There are also some practical implications of this study. Managers facing downsizing and relocation may benefit from the added knowledge in the relative importance of components in a relocation package, in order to more successfully launch such an initiative. Furthermore, it is also important for managers to understand individual conditions of employees as these form the basis for their decisions. Responding to individual needs and offering more individually tailored relocation packages may increase the acceptance of such offers. Furthermore, we believe that the importance of managerial support during downsizing should not be ignored, as it has proved to be of high value to all employees.

We believe that there are opportunities for further research of other relocation offers in order to clarify the importance of destination for the employees involved. Our findings may be bound to the specific contextual environment and comparisons with other contextual conditions may thus be beneficial. Such contextual conditions include other economic environments, professions and destinations.

7.4 Summary of conclusions

The most important conclusions of our study can be summarised in the following points:

- Personal conditions form a basis and starting point for the relocation decisions of employees.
- The most important personal condition for employees' decisions is the age of their children.
- Employees' valuations of the relocation package do not influence their decisions, however the moving bonus offered was a determining factor for movers and commuters.
- The generous financial support offered facilitated employees' personal values to guide their decisions to a larger extent as basic human needs are left unthreatened.
- Managerial support as a manifestation of organisational support was important for all employees.

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Appendix

Survey

1. Markera de tre viktigaste faktorerna som var/är avgörande för ditt beslut

- Flyttbonus (extra årslön eller ersättning för dubbelt boende)
- Flytt hjälp (flyttfirma, flyttledighet, mäklararvode betalda)
- Jobbcoach för medflyttad maka/make
- Karriärmöjligheter inom AZ
- Tro på framtida karriärmöjligheter i annan organisation
- Jobberbjudande från annan organisation
- Partners sysselsättningsmöjligheter i Göteborg
- Avsaknaden av partners sysselsättningsmöjligheter i Göteborg
- Partners nuvarande jobb prioriteras före egen karriär
- Barnens skolgång
- Fritidsintressen
- Släkt/vänner
- Trivsel i din nuvarande ort
- Det faktum att Mölndal/Göteborg är destinationen
- Studiebesöket i Mölndal
- Arbetskamraters beslut
- Min närmsta chefs uppmuntran till ett visst beslut

Kommentarer _____

2. Hur värderar du nedanstående faktorer i AstraZenecas erbjudande?

- | | | |
|--|--|--|
| Flyttbonus i form av extra årslön | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Betald flytt hjälp (flyttfirma) | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Two dagars betald flyttledighet | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Mäklararvode betalt | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Jobbcoach för medföljande make/maka | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Dubbelt boende betalt under 12 mån | <input type="checkbox"/> Uppskattar mycket | <input type="checkbox"/> Inte lika viktigt |
| Vad det något annat som du hade uppskattat som inte erbjöds? | <input type="checkbox"/> Ja | <input type="checkbox"/> Nej |
| Om ja – vad var det? _____ | | |
| Om ja– hade denna faktor ändrat ditt beslut? | <input type="checkbox"/> Ja | <input type="checkbox"/> Nej |

3. Vad är ditt beslut/troliga beslut?

- Flytta till Mölndal/Göteborg
- Pendla från nuvarande bostad till Mölndal/Göteborg
- Lämnar AstraZeneca
 - Om du lämnar AstraZeneca, fyll i vad huvudsaklig aktivitet kommer att vara:
 - annan anställning
 - utbildning
 - starta eget
 - pension
 - arbetssökande
 - annat; vänligen specificera _____

4. Nedan följer grundläggande frågor om dina allmänna förhållanden.

Kön Kvinna Man

Födelseår 1986 eller senare 1985-76 1975-66 1965-56
 1955 eller tidigare

Civilstånd Gift/Sambo I ett förhållande men ej sammanboende
 Singel

Markera i vilka åldersgrupper du har barn:

(Om inga barn, lämna tomt)

_____ 0-5 år
_____ 6-12 år
_____ 16-18år
_____ äldre än 18 år

Vilken är din högsta formella utbildning?

- Grundskola/Folkskola Gymnasium, folkhögskola eller motsvarande
- Universitet/Högskola, med kandidat- eller magisterexamen Doktorsexamen

Tack för din medverkan!

Eventuella synpunkter på enkäten:

Differences in determining factors depending on children

Age of children	Relocating	Commuting	Leaving
0-5	Family/friends Möndal as destination Other	-	Satisfaction with current community Belief in career opportunities in other organisation Children's school attendance Family/friends Möndal as destination
6-12	Career opportunities in AZ Moving bonus Other	-	Family/friends Children's school attendance Satisfaction with current community
13-15	Career opportunities in AZ Other Moving bonus	Belief in career opportunities in other organisation Partner's career prioritized Children's school attendance	Children's school attendance Satisfaction with current community Belief in career opportunities in other organisation
16-18	Moving bonus Career opportunities in AZ Manager's encouragement	Belief in career opportunities in other organisation Partner's career prioritized Children's school attendance	Children's school attendance Family/friends Satisfaction with current community
18+	Moving bonus Career opportunities in AZ Other	Moving bonus Career opportunities in AZ Satisfaction with current community	Satisfaction with current community Family/friends Children's school attendance
No children	Career opportunities in AZ Moving bonus Partner's opportunities for employment in Möndal Möndal as destination	Moving bonus Career opportunities in AZ Möndal as destination	Partner's opportunities for employment in Möndal Career opportunities in AZ Belief in career opportunities in other organisation Job offer from other organisation Möndal as destination

Table 5 - Appendix, differences in determining factors depending on age of children

Differences in determining factors depending year of birth			
Year of birth	Relocating	Commuting	Leaving
1985-1976	-	Moving bonus Career opportunities in AZ Mölnal as destination	Career opportunities in AZ Belief in career opportunities in other organisation Job offer from other organisation Partner's opportunities for employment in Mölnal Family/friends Satisfaction with current community
1975-1966	Moving bonus Career opportunities in AZ Mölnal as destination	-	Children's school attendance Other Family/friends Satisfaction with current community
1965-1956	Career opportunities in AZ Moving bonus Other	Moving bonus Career opportunities in AZ Belief in career opportunities in other organisation Satisfaction with current community Other	Children's school attendance Satisfaction with current community Belief in career opportunities in other organisation
1955-	Moving bonus Career opportunities in AZ Family/friends Mölnal as destination	Moving bonus Career opportunities in AZ Family/friends Satisfaction with current community Colleagues' decisions	Family/friends Mölnal as destination Children's school attendance Satisfaction with current community

Table 6 - Appendix, Difference in determining factors depending on year of birth