

Varieties of crisis and working conditions: A comparative study of Greece and Serbia

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Abstract

Greece and Serbia are historically different, yet regionally connected. Their weak institutional foundations and long-term economic turbulence have prevented them from overcoming crises, leading to the institutionalization of adverse working conditions. We focus on the outcomes of the systemic crisis in Greece and the transition crisis in Serbia, using semi-structured interviews and focus groups with managers and employees in small- and medium-sized enterprises in two time periods. We argue that, although the crisis has different origins in the two countries, it has consolidated adverse working conditions. Our research explores the institutionalization of adverse working conditions and offers an understanding of the lived reality of institutions, examining variations in the origins, pressures and outcomes of different types of crises on business practices from an individual perspective.

Keywords

Comparative institutional aspects, crisis, Greece, institutionalization, Serbia, working conditions

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Introduction

The economic crisis that began in 2008 led to changes in management style and cost-cutting strategies, worsening the working conditions. Employees experienced redundancies, increased working hours and reductions in pay and development opportunities, all of which lead to job insecurity, work overload, demotivation and well-being issues.

The effects of such crises are, however, dependent on context. Comparative research has been conducted on the impact of the crisis on a range of issues, such as employment and labour markets and industrial relations. The effects vary according to the resilience of the country. For example, following the global financial crisis which began in 2008, unemployment in the UK did not grow as fast as projected. In Germany, Belgium and Austria labour market turbulence was minimal. In the USA, job losses were relatively short-lived. By contrast, employment in Greece, Ireland and Spain declined by more than 10 percent.

The coordinated market economies (Hall and Soskice, 2001) coped relatively well with the economic crisis by developing policies to protect jobs from the economic recession. For example, France and Germany implemented labour market policies that maintained employment levels through the crisis. As a result, the first signs of a recovery in the German economy came at the beginning of 2010. The situation was very different, however, in the transitional economies of central and eastern Europe such as the Czech Republic, Hungary and Slovakia that experienced severe employment cuts. The 'Mediterranean' economies of Cyprus, Greece, Spain and Portugal suffered the greatest hit, with a near collapse of their economic systems, and austerity measures had a critical impact on the labour force, particularly among younger workers; however, even within this group of countries, there was variation in the impact of the crisis as institutional legacies affected policy implementation in the crisis period (Papadopoulos, 2016).

The way institutional change occurs in practice has absorbed regulatory and institutional theorists for some time. They have developed a variety of theories on institutional change (Van der Heijden and Kuhlmann, 2017). In the past decade, many studies in the employment relations area have examined institutional change on a macro level (Anderson and Kaeding, 2015; Arnholtz and Andersen, 2017; Brandl and Ibsen, 2016; López-Andreu, 2019; Thelen, 2009). While the institutional change literature focuses on exogenous shocks that bring about radical reconfigurations, studies of organizations as institutions (the micro level of analysis), and how they induce internal motivations for organizational decisions (Tsai et al., 2006), are limited. More significantly, the lived reality of institutions in the way they are experienced by individuals is neglected in the literature. Therefore, research exploring different contexts in terms of how countries deal with economic turbulence and crisis, and examination of how individuals within organizations experience such conditions, may provide valuable theoretical insights.

Most studies of management and business are conducted among the WEIRD (Western, Educated, Industrialized, Rich, Democratic) countries (Henrich et al., 2010) which, among other attributes, tend to have strong and established institutional bases. There is a dearth of studies of crises in countries with weak institutions (Larsen and Navrbjerg, 2013). This is the gap we address; we focus on the micro-institutional level and study how a change in working conditions is experienced by the individuals. We study two different types of exogenous shocks, comparing Greece and Serbia because they are historically different, yet regionally connected, countries. Both have been hit by

the crisis: a systemic economic crisis in Greece and a transition crisis in Serbia. Both contexts share similarities in the current state of industrial relations and HRM. We explore the way in which their weak institutional bases and long-term economic turbulence have created an inability to overcome the crisis and led to the institutionalization of adverse working conditions. Our research questions are: how does crisis trigger, or exacerbate, changed working conditions, how permanent are the changes and what will be the effects in countries with weak institutions? We study these questions through the lens of the lived realities of employees and managers in these two contexts.

Our account of these crises, and how they have created adverse working conditions for employees, draws from both employee and management perspectives. Few studies have explored such issues from the standpoint of both employees and managers (Prouska and Psychogios, 2016, 2019). Furthermore, we draw on data from small and medium-sized enterprises (SMEs), the vast bulk of businesses in all countries, and a very significant element of the economy in these two. Organizational structures and procedures are different in SMEs where HRM is less formalized (Bacon and Hoque, 2005).

Using an institutional framing, we first discuss issues surrounding working conditions in times of crisis, and working conditions in Greece and Serbia, as the context of the study. Then we present our research approach and findings. We conclude that, despite the differing nature of their crises, evidence suggests the institutionalization of adverse working conditions. We add to the latest research exploring the impact of crisis from a comparative perspective (Feldmann, 2017; Papadopoulos, 2016).

Working conditions in times of crisis

The literature suggests that working conditions are negatively influenced by downsizing, work intensification, decreased motivation and increased job insecurity, stress levels and working hours (Psychogios et al., 2019). Labour is the largest single variable cost for most organizations so it is an obvious target in crises (Guthrie and Datta, 2008). For those who are not 'cut', organizational responses to economic crisis can include work intensification and restructuring, leading to longer working hours, increased work intensity and reductions in pay, benefits and development opportunities (McDonnell and Burgess, 2013). These, in turn, may result in reduced motivation, work effort, involvement, productivity and loyalty and a range of physical, emotional and mental burnout symptoms (Spreitzer and Mishra, 2002).

Even in countries with strong institutions, there is very little detailed analysis of the broader consequences of the crisis on working life in terms of employee and manager behaviour and reactions. How does crisis trigger, or exacerbate changed working conditions, how permanent are the changes and what are the effects in countries with weaker institutions? We focus on these questions.

Crisis in Greece and Serbia from a comparative institutional perspective

The comparative capitalisms literature categorizes Greece in the 'Mediterranean' model of South European countries, with limited state intervention in the regulation of working

conditions, a restricted influence of organized labour on working conditions in the private sector and low job tenure, making it unattractive for employers and uninteresting for employees to invest in training (Amable, 2003). The outcome is lower employee skill levels leading to low-quality work organization and low wage rates (Holman, 2013). Among the Mediterranean countries, Greece has some of the 'cheapest' labour, lowest levels of productivity and the lowest minimum wage (Prouska and Kapsali, 2011). This can be explained through the socio-economic, political and historical context of the country.

In the late 20th century, Greece attempted to imitate the industrialization process taking place in northern Europe and North America, but never overcame the underdevelopment of domestic institutions and infrastructures caused by its turbulent political and economic history. Since the last century, Greece has been affected by numerous political and military events, including, most recently, monetary integration with the EU and the latest global 'crunch' (Kapsali and Butler, 2011). As a result, Greece was financially 'exhausted', needing economic aid with the resulting foreign interference in internal affairs.

Apart from this reduction of sovereignty, geopolitical factors affected the economy and made it difficult to attract foreign direct investment. Frequent changes in political regimes and economic policies led to a lack of a consistent national strategy and of a developed institutional base providing 'guarantees' for investors. Businesses needed to be small (low-cost, low-investment and short-term oriented) and agile; this made for a volatile landscape, with a high rate of self-employment and micro family-owned enterprises (Prouska and Kapsali, 2011). This system could not sustain large manufacturing and the economy focused on services and small-scale agriculture. Overall, the institutional basis is weak and fragile.

Entry to the eurozone in 2001 was the first step towards the current systemic crisis. It was to be 'deadly' for many Greek organizations because the economy was not ready for the constraints imposed (Gibson et al., 2012) and successive governments failed to recognize the consequences. The issue of Greek debt resurfaced after the 2008 global financial crisis. The effects were catastrophic for many companies that faced significant financial difficulties with a spillover effect onto their suppliers and employees (Kouretas and Vlamis, 2010).

Although geographically close, Serbia is historically different. Upchurch and Marinković (2011) argue that Serbia is an example of 'wild capitalism', marked by the fragmentation of business and employment systems, with elements of both state management and liberal marketization and a mix of formality, clientelism, corruption, personal political networking and legality and 'western' codes of behaviour. Serbia was the central state in the Kingdom of Yugoslavia before the Second World War, during which it lost a great portion of its emerging industrial sector and the majority of its male population (Milikić et al., 2012). The Tito regime that followed saw the informal, but active, involvement of the communist party in company management. The Yugoslav economy slid into a debt crisis in the 1980s (Upchurch, 2006) which eventually led to the 1991–2000 civil wars for secession (Mihajlov et al., 2013). These events had a devastating long-term impact on Serbia's development and competitiveness, preventing it from participating in the economic modernization taking place in the more developed European

countries. The civil wars worsened the country's structural qualities, territorial capital and capacity for strategic research, thinking and governance. Although Serbia was expected to pioneer structural changes for marketization, privatization and deregulation after the collapse of the former system, the transition phase showed a lack of appropriate institutions (Vujošević et al., 2012). By 1999 the economy had shrunk to half its size from a decade earlier because of the civil wars, the NATO bombings, the period of international economic sanctions lasting from 1992–1995, the loss of markets and the break-up of the state in 1991, all of which left Serbia with a public debt nearly twice the size of its GDP (Upchurch and Marinković, 2011).

The second phase of economic transition from 2001–2010 primarily involved reforms in the banking sector and the privatization of 2285 large and small businesses; this led to a rapid growth of GDP and of the service sector, a growth in real salaries and an improvement in economic efficiency (Pečujlija et al., 2011). The economic recovery from 2000 onwards was dynamic but insufficient, given the deficiencies of the 'paleo-industrial' structure of the economy, making restructuring extremely complicated (Vujošević et al., 2012). The core of the Serbian transition represents the abandoning of centralized decision-making in favour of a more liberal market environment. During this process, one million workers became unemployed and 20 percent of the population was in poverty (Vujošević et al., 2012). The difficulties inherent in restructuring and privatization were compounded by the financial crash of 2008. The transition process created socio-economic imbalances, with poverty and unemployment persisting, although employment in the public sector has been maintained at relatively high levels (Bonin and Rinne, 2014). For different reasons, therefore, the Serbian state is another example of a country with a weak institutional base.

Working conditions in Greek and Serbian SMEs

The Greek industrial relations system is bifurcated: the state sector and large firms are strongly unionized and regulated, but there are many SMEs and a significant underground economy. Smaller enterprises make up the bulk of the Greek economy and tend to lack trade union representation and have a culture of non-compliance with labour law (Mihail, 2004). This leads to non-procedural and informal practices within an environment of poor employment and working conditions (Wood et al., 2016a).

The 2008 economic crisis had severe negative consequences for many Greek SMEs (OECD, 2016), which faced increased taxation together with the inability of the country's banks to support them financially. A significant number had liquidity problems, frequently being unable to pay their suppliers and employees (Kouretas and Vlamis, 2010). This problem intensified in June 2015 when capital controls were implemented in an effort to stop a bank run (Wood et al., 2016b). Increased lay-offs and decreased salaries led to high uncertainty and employee dissatisfaction, especially within SMEs (Arghyrou and Tsoukalas, 2010). The European Job Quality Index (Leschke et al., 2012) ranked Greece as the worst performer, highlighting a decline in full-time employment and in wages and an increase in job insecurity. With companies employing fewer people, workloads increased significantly for those remaining, with a rise in bullying behaviour (Giorgi et al., 2015).

In Serbia, the economic crisis resulted in reductions in collective bargaining rights, increases in the maximum duration of temporary employment contracts, reduced severance pay and holiday allowances and weaker equal pay rules (International Trade Union Confederation (ITUC), 2014). As in other former communist countries, trade union density before 1990 was close to 100 percent but stood at 35 percent in 2010. Only companies with more than 50 employees were allowed to create employee representative councils (Arandarenko, 2012), and this made for widespread non-representation. Information on working conditions was lacking; Serbia was included in the European Working Conditions Survey for the first time in 2015, while other relevant Eurobarometer, OECD and ILO studies do not yet cover the country.

Research approach

To understand the reaction of employees and managers to adverse working conditions, we adopted a qualitative approach concentrating on understanding individuals, their behaviour and experiences. The research involved managers and employees and took place in two phases, two years apart (2013 and 2015), so that we could capture the impact of the developing long-term crises on working conditions in both the countries. We adopted a triangulation technique (semi-structured interviews for phase I and focus groups for phase II) to validate the data collected (Rothbauer, 2008).

Phase I was based on 20 semi-structured interviews in each country, half with managers with different functions (HRM, Marketing, Operations, Logistics) and the other half with employees. Respondents came from organizations established at least two years before 2008, since we wanted to investigate attitudes towards working conditions before and after that date, and were in non-unionized SMEs as such companies dominate Greece and Serbia. The sample of companies was obtained from the researchers' professional networks. Twenty organizations were involved in the study, ten in each country, operating in the three main sectors of the economy as outlined in Table 1. Both judgmental and snowball sampling techniques were used. The criteria for choosing the interviewees were: years working for the same organization (before and after 2008), position in the organization and wider working experience.

The interview schedule asked first for demographic data; second, reflections on different working conditions and change over time (including employment status, salary, pension allocations, flexible payments, working time, additional hours working, workload, career development, work intensity, emotional and physical job demands, hazards and job security); third, views on how the crisis has affected these working conditions; and fourth, reflections on how the organization responded to adverse working conditions and an evaluation of this response.

Interviewees were guaranteed anonymity. The interviews began with a general discussion about the crisis in each context to ensure that participants shared a sufficient understanding of the situation under investigation. Interviews were recorded (with permission) and transcribed shortly after each interview to increase reliability.

We used thematic data analysis, often framed as a realist/experiential method that can be used for identifying, analysing and reporting patterns (themes) within data and to incorporate complex accounts (Braun and Clarke, 2006). After an initial identification of changes to working conditions we looked for common themes and identified organizational

Table 1. Overview of interview participants.

Country	Sector	Company Type	Size	Managers	Employees
Greece	Manufacturing	Food (Milk)	50	HR	Operations
Greece	Manufacturing	Electronics	95	Logistics	R&D
Greece	Manufacturing	Construction	52	Project management	Engineering
Greece	Manufacturing	Pharmaceutical	87	Finance	Production
Greece	Manufacturing	Lift industry	134	Operations	Production
Greece	Services	Consultancy	35	Project management	Marketing
Greece	Services	Tourist agency	16	Administration	Operations
Greece	Services	Construction	14	Project management	IT consultant
Greece	Retail	Food wholesaler	67	Marketing	Sales
Greece	Retail	Electronics retailer	24	Logistics	Sales
Serbia	Manufacturing	Textile	65	Operations	Production
Serbia	Manufacturing	Food (Meat)	53	Logistics	Production
Serbia	Services	Logistics	59	HR	Operations
Serbia	Services	Consultancy	22	Project management	Marketing
Serbia	Services	Training	9	Administration	Administration
Serbia	Services	Transportation	43	Operations	Operations
Serbia	Retail	Supermarket	47	Logistics	HR
Serbia	Retail	Clothing wholesaler	29	Marketing	Sales
Serbia	Retail	Electronics retailer	23	Sales	Accounting
Serbia	Retail	Automotive retailer	15	Finance	Sales

responses to the crisis, with summary reflections from participants on the influence of the crisis on various working conditions, quantified to assist in drawing direct comparison between the two countries; and impact on workload, job security, work relationships and work-related stress and pressure. We then went back to the transcripts and coded the responses into the categories established.

Phase II was based on focus groups in both countries to confirm and develop the outcomes of the first phase and offer feedback to respondents to determine if the outcomes were in line with their perceptions. In both countries, one focus group of seven individuals, comprising respondents from different companies who did not participate in the initial research, were brought together to reflect on working conditions, how the crisis has affected these and how organizations responded. Each focus group was designed to represent the sample from the individual semi-structured interviews (managers and employees, cross-functional representation). Details are given in Table 2.

We used this stage to refine and where necessary combine our categories and, hence, were able to arrive at the final coding. We compared the findings in the first and second phases of the research to explore similarities/differences and confirm whether our analysis made sense to participants and how far things had changed in the intervening period.

Findings

Most participants indicated that the crisis further deteriorated working conditions; in Serbia, unlike Greece, there was also a strong view that things were tough even before

Table 2. Overview of focus group participants.

Country	Sector	Company Type	Size	Managers	Employees
Greece	Manufacturing	Food	37	Quality control	Production
Greece	Manufacturing	IT development	58	Project management	Hardware
Greece	Manufacturing	Lift industry	97	Marketing	HR
Greece	Services	Motor insurance	26	Product management	Administration
Greece	Services	Security	19	Administration	Administration
Greece	Retail	Textile retailer	27	Management	Sales
Greece	Retail	Supermarket	56	Accounting	Administration
Serbia	Manufacturing	Electronic systems	63	HR	Administration
Serbia	Manufacturing	Beverages	29	Production	Logistics
Serbia	Services	Education	25	Finance	Administration
Serbia	Services	Advertising agency	36	Project management	Marketing
Serbia	Services	Event organization	7	Project management	Administration
Serbia	Retail	Book retailer	8	Sales	Sales
Serbia	Retail	Automotive retailer	23	Sales	Sales

2008. Table 3 provides a summary of these responses. The following sections explore some of the key causes and outcomes in more detail.

Cause of deterioration of working conditions: Cost-cutting practices

Cost-cutting is viewed as a ‘natural’ reaction to the economic crisis (Guthrie and Datta, 2008). Managers and employees in both countries indicated that salaries had decreased during the crisis and most had also observed increases in lay-offs in their organizations. This also affected the workloads of remaining staff, who now had to work more for less (Cascio and Wynn, 2004). ‘There is simply too much work to be done now by every individual since we have lost almost half the staff in the past few years’ (employee, Serbia). ‘We work for less money with fewer resources and we work harder than ever’ (employee, Greece).

In Serbia, all ten employees reported cuts in financial resources allocated to training and vocational development. Half of the Greek managers, however, reported an increase in resources allocated to training and development, contradicting the literature that indicates that such resources are the first to be cut during crisis periods (McDonnell and Burgess, 2013). Further probing revealed that the participants referred to training and development programmes for ‘high performers’. Participants argued that, since employers did not want to risk losing such key workers, and could not afford to pay them more, they needed to offer them something in return. In the Greek focus groups, managers indicated that there were high levels of turnover and they needed to hold onto the best managers and employees to survive. Their organizations were trying to minimize the costs and maximize the impact through on-the-job and government-sponsored training opportunities. This meant that training and development programmes for less skilled or less experienced staff, who might benefit more, were neglected. ‘It seems obvious to me

Table 3. Views on the outcomes of the crisis.

Employees	Serbia			Greece		
	Decrease	No change	Increase	Decrease	No change	Increase
<i>Salaries</i>	8	2		7	3	
<i>Working time</i>		10		1	3	6
<i>Unsocial hours</i>		3	7	1	5	4
<i>Unpaid overtime</i>		10			7	3
<i>Career development</i>	10			4	5	1
<i>Workload</i>	2		8	2		8
<i>Emotional job demands</i>		8	2		7	3
<i>Job security</i>	9	1		6	4	
<i>Employment status</i>		10			10	
<i>Access to training</i>	10			4	5	1
<i>Downsizing</i>		3	7		4	6
<i>Managers</i>						
<i>Salaries</i>	6	4		6	3	10
<i>Working time</i>		10			2	8
<i>Unsocial hours</i>		10			3	7
<i>Unpaid overtime</i>		10			10	
<i>Career development</i>	8		2	3	2	5
<i>Workload</i>		2	8		2	8
<i>Emotional job demands</i>		9	1		8	2
<i>Job security</i>	4	4	2	6	4	
<i>Employment status</i>		10			10	
<i>Access to training</i>	8		2	2	3	5
<i>Downsizing</i>		5	5		5	5

that the organization has to invest in the ‘best performers’ because if they do not see they are gaining anything except salary in return for their effort and huge contribution, they might leave’ (manager, Greece).

Outcomes of cost-cutting organizational practices: Job insecurity, stress, pressure and tense work relationships

Unsurprisingly, job insecurity increased in both countries. Interviewees reported that tension among employees increased dramatically as a result. Nearly all Serbian employees and a majority of Greeks feared to lose their job. This was a widely held feeling despite a belief by some that ‘the media are mainly responsible for the feeling of fear’ (employee, Greece). Most Serbian managers felt, however, that the threat to their own positions was the same or had only increased slightly, ‘I do not think that our job security decreased. Simply, managers at high positions around here do not get fired that easily’.

Most employees and managers in both countries felt that the crisis had intensified work-related stress and pressure, confirming findings from other contexts (Van Gyes and

Szekér, 2013). These higher workloads resulted in longer working hours, causing conflicts with their families and negatively affecting the psychological state of employees. Our respondents, particularly employees, noted that many of them were working far beyond the working hours legally defined by the EU.

I do not have enough time to see my family anymore. I have to stay and work overtime at least four out of five working days and sometimes even on Saturdays. This is becoming too frustrating. (Employee, Serbia)

It is true that we are all under severe pressure and stress and the crisis has caused lay-offs and increased workloads. We now have to cope with much more work and the deadlines are becoming almost unrealistic. When you work every day in such conditions it is very hard to avoid extreme stress and pressure. (Manager, Serbia)

Participants discussed how they feared for their future and were more anxious and stressed than before the crisis. This was worse in Serbia than in Greece: Serbian respondents felt being a part of a 'permanent' crisis, while Greeks felt 'waves' of exhaustion and stress reflecting the political and economic instability of the country.

Cost-cutting used to boost competitiveness further increased levels of stress and pressure for both employees and managers in both countries, with implications for health and well-being (Askatas and Zimmermann, 2015). As a result, many managers mentioned issues concerning their employees' health and their own physical and mental health. One Serbian manager stated, 'I have witnessed a couple of employees literally collapse in the firm because they were not sleeping for days in order to get the work done.'

The focus groups were very clear about the stress and pressure inside the workplace. Both explicit and implicit 'forces' were used by their organizations in attempts to do more with less and force employees to 'go about your business' and 'not complain'; our focus groups became a forum to vent many of the built-up stresses. Respondents clearly indicated that the fear of being 'let go' was much more dangerous to them than the stress and pressure of the work and, as such, they needed to find a way to survive this pressure. Respondents simply seemed resigned to this; some pointed towards the possible societal consequences of this permanence.

In both countries, most managers agreed that the economic crisis brought many challenges and substantially increased tensions inside their organizations. There were some reports that work relationships had deteriorated, although it was not as widespread as indicated in some of the literature (Giorgi et al., 2015). As one Greek employee commented, 'Sometimes, working obligations and pressures to achieve results fast make some people behave in an 'unorthodox' way. I have witnessed situations the last few years with people yelling and threatening each other'.

The fact that the crisis led to 'extreme' behaviours by supervisors towards subordinates seems to be recognized by managers as well; however, they did not necessarily consider these behaviours as a form of bullying in the workplace:

I do not deny that lately, and especially due to the crisis, you may lose control easier and start using more 'hard' language to convince people how critical the situation is; however, I do not

believe it is real bullying. It is something that has become a new form of behaviour. (Manager, Serbia)

The focus groups in Serbia indicated that working relationships inside their organizations were actually starting to get better, as people were trying to create some measure of normality from the chaos. In Greece, however, there was a sense that working relationships were still extremely tense, especially involving older workers who were more at risk should the situation deteriorate even further.

The 'institutionalization' of adverse working conditions

Focus group participants in both countries discussed how, when they thought working conditions could not get 'worse', they were unpleasantly surprised. Many discussed the 'normalization' of adverse working conditions into everyday life. In Greece, particularly, participants indicated that there appeared to be no end to how bad things could become in the absence of alternative employment possibilities and organizational mobility, and how the government seemed to be making it easier for employers to act as they wished. What was clear in both countries was the perspective of a new reality of working conditions. There was an overall 'reluctance' to react and a begrudging acceptance of this new norm. According to a Serbian employee, 'I do not dare, nor my colleagues, to resist by striking or protesting or even complaining, because I might lose my job. My employer knows that there are many unemployed people out there who would be glad to do the job without resisting at all'. Similarly, a Greek employee commented that 'it has become very hard to find a decent job in Greece today. Even though it is very hard to work with all this stress, pressure and constant fear, I have to accept it, because I need this job'.

A majority of both managers and employees believed little could be done to 'return to normality' and to how things were before the crisis.

My employer is trying to talk with us, but we do not have the opportunity to actually complain or suggest anything to him. He usually just tries to encourage us with a few words and that is all. But we know that this is working life now, not just in this organization, but everywhere. (Employee, Serbia)

Likewise, a Greek manager argued that 'everyone knows that we cannot change the situation. Working conditions can never return to how they were before the crisis. This is the reality'.

Discussion and conclusion

We collected data in two phases, the first using interviews, the second using focus groups, to provide insights into public discourses that may be different from individuals' views expressed through an interview alone (Barbour, 2007). The focus groups gave us an opportunity to present our findings and to collect more data, therefore, making the research more participatory and its results more robust.

Employees and managers in both countries agreed that the 2008 crisis had worsened working conditions, although Serbian participants added that conditions were

tough even before then. Tension among employees had increased primarily through job insecurity (fear of lay-offs), stress and pressure (increased workloads, longer working hours and work-family conflict). Managers considered that tensions were also created by cost-cutting strategies, such as dismissals, reductions in salaries and workload increases, with implications for employee health and well-being. Serbian employees and managers also reported cuts in training and development, although, this was not consistently reported in Greece, where a stronger commitment to training and development was a strategy to retain highly skilled staff. As a result of harsher working conditions, there were some reports of a deterioration in work relationships by employees and managers in both contexts, although some Serbian participants reported a slight improvement as both managers and employees were trying to find a way to balance relationships within the long-term turbulence they were experiencing. Overall, employees and managers in both countries agreed that they felt that they had to accept these new working conditions since there was little that could be done to change them.

There has been considerable variation in the impact of the 2008 crisis on labour markets. Where institutions were strong, the crisis did not have radical or long-term effects on working conditions (Van Gyes and Szekér, 2013). The crisis, however, has worsened the working conditions in weaker economies (Psychogios et al., 2019). Studying institutional variables alone may not explain these variations as volatility (of economic and fiscal conditions) may play a decisive role (Shahidi, 2015). As such, we need to look at the economic and fiscal conditions that shape response to the crisis.

There is limited literature on countries where long-term institutional weaknesses combine with turbulent economic and fiscal conditions established through particular historical trajectories to render them more vulnerable to crises. And, there is equally limited literature comparing different types of crises and their effects on labour, employment and employee relations (Larsen and Navrbjerg, 2013). From the available literature, two studies are relevant here. First, Papadopoulos (2016) explored the impact of economic crisis on Greece and Ireland (the former an institutionally weak country, the latter institutionally stronger), finding that institutional legacies still define the degree and manner of implementation of policies, despite significant institutional change caused by the crisis. Second, Feldmann (2017) explored varieties of crisis responses from a ‘comparative capitalisms’ perspective, comparing the centralized industrial relations system in Slovenia with decentralized industrial relations in Estonia to show how pre-existing institutions in both the economies shaped different responses and adjustment.

Our work offers an understanding of the lived reality of institutions in the way they are experienced by individuals (employees and managers). We compare two institutionally weak countries (Greece and Serbia) and different crises (economic and transition). We observe similar changes in working conditions in these two settings. Our research contributes to critiques arguing that the institutional literature neglects change, structural development and the effects of the global financial crisis (Jessop, 2012) and failing ‘to understand the dynamics of change in contemporary capitalism’ (Jackson and Deeg, 2006: 571). While change can come about through crisis, as is

evident here, it is clear too from both our examples that in states with weak or hotly contested institutional bases, change can incrementally lead to new institutional arrangements (Streeck and Thelen, 2005; Thelen, 2014). In both countries, the continuing pressure on firms' very survival has led to a 'freezing' or embedding of poor working conditions as the new norm: the institutionalization of adverse working conditions.

Although the crises in the two countries are different, they have created adverse working conditions in both. In Greece, labour relations have been tense since the imposition of a neo-liberal austerity programme (Duman, 2014). The collective bargaining system is being increasingly decentralized and trade union membership has declined (Kornelakis and Voskeritsian, 2018). EU labour law on working conditions is rarely enforced outside the public sector and larger companies, and not always there. In Serbia, working conditions were difficult even before 2008. Employment relations were fragmented (Upchurch and Marinković, 2011). Enforcement of labour legislation is problematic, with employers 'abusing' the way they reschedule working hours to avoid paying overtime (Petrović, 2015). A key theme in both countries is the growth of the informal economy, which makes implementation of labour law difficult.

Our findings mesh with conceptualizations of adverse working conditions found in the literature but, unlike most other European countries, extensive and unlawful working hours are widespread, reflecting the fact that Mediterranean economies and those of the ex-communist transition states have significant employment legislation but little enforcement. In both countries, and for both managers and employees, there is a common feeling that present working conditions must be accepted; and this will continue into the future. Adverse working conditions are becoming 'institutionalized' and established as a convention or norm that is hard to challenge.

Our study confirms that context matters. The institutionalization of adverse working conditions in these two countries is more widespread than in northern Europe (Lallement, 2011; O'Reilly et al., 2011). This has important implications for theory and practice, particularly in relation to understanding how context and the strength and embeddedness of institutions and long-term economic turbulence create legitimacy for and assist or prevent the re-establishment of, 'traditional' working conditions following crises. The situation is worse in the smaller enterprises marked by informal HRM practices (Bacon and Hoque, 2005) that are typical of these societies.

The institutionalization of adverse working conditions raises significant issues in relation to employee voice and representation in the workplace, particularly in smaller non-unionized enterprises. Adverse and worsening working conditions also mean having to manage implications for employees' well-being, motivation, satisfaction and commitment. Future comparative research should focus on how working conditions in crisis contexts create new institutional logics within specific capitalist systems and the effect on HRM theory, policy and practice, particularly looking at recommendations to address the challenges faced in working conditions in such contexts.

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