

Plant Closures and the Making of a New Occupational Psychology Culture
Oral Narratives from the Falck Steelworks
in Sesto San Giovanni (Milan)

Roberta Garruccio*,

* Department of Language Mediation and Intercultural Communication
University of Milan - Sesto San Giovanni

The research has been conducted by Roberta Garruccio, Sara Roncaglia and Sara Zanisi,
the paper has been preliminary drafted by Roberta Garruccio.

Milan, November 2016

Abstract

This paper outlines a research on deindustrialization in Sesto San Giovanni, a medium size city just at the outskirts of Milan, which, from the start of the 20th century until the end of the 1990s, was a major hub of heavy industry such as steelmaking, heavy machinery, electro-mechanical engineering.

The paper state first our general research questions and key assumptions, explaining how we related to deindustrialization studies in devising them. Then sketches the industrial history of Sesto San Giovanni, focusing on the closing of the Falck company, also based in Sesto, and the most important private steel producer in Italy since the Second World War.

In order to investigate the making of occupational psychology in Italy in relation with deindustrialization processes and traditional industrial cultures in a specific place, this contribution points to address the case of a special program, created at the beginning of the 1990s, under the title of the “Falck Observatory”. The Observatory was an initiative of the Falck Human Resources Direction with the participation of the trade unions and the Lombardy Agency for Employment; created to help redundancies from Falck finding an alternative job, it sought advice from the Department of Psychology at Catholic University in Milan.

During our research we were lucky enough to get our hands on some reports, signed by the Catholic University researchers, concerning the outplacement activity of the Observatory; in that way, we had access to several interviews conducted in 1993-1998, which gave us also insight into the making of the Job Insecurity studies within the Italian occupational psychology. From this evidence we have understood that a field of job insecurity studies developed in Italy from practical and empirical experience and only later concepts and theoretical frameworks were appropriated from the US.

One original aspect of our investigation has been the fact those records also drove us to include in our interpretation the narratives by top managers and middle managers (head of departments, head of division, plants directors that had been made redundant as well) instead of neglecting them or keeping them separate from those by workers.

Our research on Falck has the opportunity to fill two gaps. On one hand, in job insecurity literature, very few case studies had been addressed to the issue of the corporate support as moderator in context of downsizing; that is one further reason to held the Falck Observatory case as particularly interesting. On the other hand, in deindustrialization studies, little attention has been generally paid to managerial narratives; by contrast, a lot it has been devoted to executives in job insecurity studies: in Falck, during the ‘90s, the cuts hit managerial levels as well; in our interviews conducted with Falck employees during 2014-2015, we had the chance to examine not only the workers reaction but also the middle managers reaction to the shut-down.

Preamble

I would like to begin by introducing myself and explaining the reason why I am involved in this particular issue. I am an economic historian and my field of interest is mainly business history, but I’m also an oral historian. I have worked in a History department, but now I

work in a department of cultural studies at University of Milan, and this also affects the research I am presently carrying out. Moreover, my department is located in the Sesto San Giovanni and this explains as well why Sesto became my research topic.

For more than two years (2014-2015), I had been working together with my two co-authors - Sara Roncaglia and Sara Zanisi, both holding a temporary research position at our department, at that time. Our focus has originally been on the closing of the mills and factories in the City of Sesto San Giovanni since the 1980s; but this focus progressively narrowed to the case of the Falck Steelworks plants, which shut down in the 1990s.

Our research project has been funded by the Region of Lombardy, and we have worked in partnership with a local historical foundation – ISEC, Institute for the history of contemporary age - and with an independent association for ethnographic research - AVoce.

The original purpose was to create an archive of oral history on the aftermath of the industrial shutdown in Sesto. This oral archive has been completed and saved, and it is now professionally maintained at ISEC Foundation.

In the course of two years we collected almost 50 audio and video taped individual interviews, with ex-workers (blue- and white-collar), local trade union leaders, residents. Our interviewees were mostly male workers, but we also managed to include a number of women as well as younger workers. We have also interviewed children of displaced workers, because we were interested in the way deindustrialization is experienced by those who have never done any industrial work but, rather, have been exposed to the process through the stories of their parents, or through the landscape and industrial heritage of the city. Finally, we interviewed middle and top managers. In particular, we met Falck technical staff, industrial engineers and the Falck top HR Executives who oversaw both the layoffs and the social buffers during the mills closing. Finally, we also met the former President of the company and member of the Falck Family. These interviews were particularly useful just because showed a peculiar perspective on the deindustrialization process which conflicts with the memory coming from other oral sources.

In its call for proposals, the Regional Council of Lombardy announced that it would give priority to those projects that could reach a wide audience (as opposed to a strictly academic one); this is why our group replied presenting a project including as main result a documentary: a 45' minute docu-film constructed on selected quotations from our interviews, as well as on home movies and archival footage, which generate a meaningful shared narrative, without any voice off stage.

My colleagues and I did all the interviewing, but we worked closely with many more professionals: archivers from ISEC Foundation (in order to consider historical corporate records and technical drawings); a photographer (for documenting the present landscape of deindustrialization in Sesto); a professional film-maker (for filming, editing, and post-producing the documentary).

Research positioning, research questions

In positioning our research, we drew on the growing scholarship regarding deindustrialization, with special attention to the recent social and cultural turn in the study

of factory and mill closing in historical perspective [VAN DER LINDEN and ALTENA eds., 2002; COWIE and HEATHCOTT eds. 2002; HIGH and LEWIS 2007; STRANGLEMAN, LINKON and RHODES eds. 2013]. So, first of all, I would try to situate our research stating the key assumptions we shared with this scholarship literature:

- the way people experience deindustrialization is multi-layered; representations reveal emerging tensions on the meaning and the memory of deindustrialization; in general, representations and memories show an ongoing negotiation over this meaning and its changing nature over time;
- not everyone bears the scars of deindustrialization: deindustrialization creates winners and losers: our research on Sesto allowed us to explore also this kind of fractures;
- deindustrialization is not only de-manufacturing: the true significance and the cultural meaning of deindustrialization would become apparent with time: it is not by chance that the last wave of deindustrialization scholarship moved, not only *beyond the ruins*, but also *beyond the body count*, the count of job losses.
- deindustrialization is transformative on a cultural as well as material level and that is not a neutral process but a political one;
- deindustrialization is a lasting phenomenon with impacts both deep and wide; it is ongoing process rather than a single event.

Indeed, as the anthropologist Kathryne Marie Dudley wrote: “*The rust belt is not a static landscape, it is a cultural drama of communities in transition and people struggling to find a place for the past in the present* [DUDLEY 1994, p. ?]. Our aim has been to study this struggle in Sesto San Giovanni; that means to study not only what happened, but also how the events have been remembered, interpreted, represented.

That’s why we have chosen an ethnographic focus and the research methodology of in depth interview, asking people in Sesto how they have related to the deindustrialization processes; how they have related with a site of industrial ruination and transformation; asking also about their individual and collective role within change, contestation, redevelopment and daily life.

In the same perspective, Jefferson Cowie and Joseph Heathcott (2002) suggested that the central challenge is to describe: *how a historical bound set of working conditions were experienced in term of permanence in daily life, up to the closings; how - since then - people account for the destruction of an economic and social order that seemed so rooted and pervasive; in what sense the effects of deindustrialization were more disorienting than overtly political, more elusive than tangible.*

We identified our research questions on the basis of this literature: how do people remember both industrial work and its loss? how do they remember the aftermath of closing? what strategies and media people use to frame and comment on the past? how do they use the history of the deindustrialization to understand the present and think about the future?

We did not make any attempt to determine whether the steel plants in Sesto San Giovanni should or should not have been closed. Nevertheless, we tried to deconstruct the predominant “inevitability discourse”, keeping in mind what Barry Bluestone and Bennett Harrison pointed out at the beginning of the 1980s: “*Deindustrialization does not just happen. Conscious decisions have to be made by corporate managers to move a factory from a location to another, to buy up a going concern, to dispose of one, to shut down a facility*” [BLUESTONE and HARRISON 1982].

Sesto San Giovanni: context and relevance of the case study

We concentrated on a single emblematic place: the town of Sesto San Giovanni and on a specific time period, from the 1980s to the present.

We believe that what took place in Sesto San Giovanni was not (and is not) restricted to this area, but is part of a world-wide economic and social shakedown [DICKEN 2015]. In other words, we believe that the case of Sesto San Giovanni has the potential not only to shed light on the meaning and the effects of industrial loss in a single site, but also to capture a broader history of deindustrialization and its aftermath. So we aimed at exploring not the immediate experience and effect of closings but long-term and cultural legacies of deindustrialization

As «The Economist» has recently pointed out in a special report titled “Space and the City”: *if distance has died, location has not* [April 2014]. And, regarding its location, Sesto is in a strategic position within the metropolitan area of Milan, just on the Northern Beltway; indeed, the Latin name Sesto means “at the sixth mile from the main center”. It has a population of eighty thousand; it used to be less than ten thousand at the beginning of the 20th century and it peaked at one hundred thousands at the end of the 1970s. It should be kept in mind that the city of Milan is the second largest Italian city by population in Italy (1.300.000 inhabitants) but the population of the Metropolitan area of Milan, to which Sesto San Giovanni belongs, is the largest in Italy (3.900.000 inhabitants) and the third largest in Europe (after London and Paris), with a per-capita income almost twice the Italian average (the unemployment rate is half the national rate) [MILANOSESTO 2015].

It also has an important industrial and political history which covers almost the entire 20th century. Between 1903 and 1919, four big companies moved to Sesto from Milan, because proximity and cheap property: Breda, a specialist in railway engine manufacturing; Ercole Marelli, a manufacturer of large power generating engines; Falck: an iron and steel maker that opened four plants in the city and then became one of Italy’s leading industrial companies; finally Magneti Marelli (a joint venture between Ercole Marelli and FIAT) which made magnetos and equipment for the automotive industry.

Thus, Sesto San Giovanni evolved into much more than a company town, or a mono-productive city (as Turin in car making), becoming an industrial hub.

In the 1950s a town of 45 thousand inhabitants could boast over 35 thousand jobs in these heavy industries. Between 1957 and 1964, during the economic boom, Sesto reached its maximum development, becoming the fifth Italian industrial center.

Afterwards, deep restructuring and production transformation were made in the steel, mechanical and engineering sectors, with the manufacturing of half products or products for durable and mass goods.

Decline accelerated in the ‘70s, with the closing of one out of four Falck mills in 1976, followed by the closing of Ercole Marelli in the ‘80s, the crisis of iron and steel sector, the bankruptcy of Breda, up to the last casting of the last Falck mill, in december 1994.

Since the ‘80s, after a severe structural and occupational crisis, all the fordist factories that had made industrial history in Sesto shut down. Unemployment rose from negligible levels to over 10%. The same changes in the competitive position of steel production that affected the Ruhr and other heavy industries in Western Europe also had an impact on Sesto and especially on Falck. [OECD 2006; JAMES 2006; KIRK et al. 2012].

In their seminal book, *The Deindustrialization of America* published in 1982, Barry Bluestone and Bennett Harrison wrote: “*despite the high personal costs of disinvestment pictured here, the price paid by workers, their families and their communities is likely to be much higher in the future*”. Indeed, even in Sesto, the epidemic of closings and the downward pressure on wages of the 80’s

and the '90s reverberated throughout the economy and the society for more than twenty years afterwards.

Sesto San Giovanni has experienced deindustrialization, but not a full post-industrial transformation: today Sesto is among those places, in Europe and Western Countries, where deindustrialization is the most visible, but has not become a post-industrial space, is rather in a slow process of moving from an industrial past towards a still uncertain future. Where once there was the so-called “City of Factories”, now there are large empty spaces: the Falck areas in particular are still an empty wasteland yet to be transformed, but they also are one of Europe’s most important redevelopment projects of a former industrial space, and a huge real estate deal in Italy. [The Investment company specialized in Real Estate that in 2010 acquired the FALCK areas - BIZZI & Partners - entrusted the architect Renzo Piano of the planning in 2011]

For its working class culture, for its left wing tradition, for the role the city played during the Resistance - Sesto had the Gold Medal for the Resistance to Nazifascism – and for a union density that reached 90% in the 1970s, Sesto San Giovanni gained the title: “the Italian Stalingrad” but at the moment is no more than Milan’s rust belt, a place caught up in the middle of an “uncertain transition” [I borrow the expression from MAH 2012].. That’s one of the reason why we believe it is the right moment for a research like ours.

The Restructuring at Falck and Occupational Psychology

The restructuring and conversion of the Falck steel mills during the 1990s is a good example of the changes that affected the steel industry in Europe and Italy. Restructuring had already started during the previous decade, but it was in the 1990s that the process picked up speed mainly because of two reasons:

- the changing international economic landscape [;
- the introduction of innovations both in production and processes.

At the start of the 1970s, Falck was the major private steel company in Italy. It produced 1mln 250 thousand tons of steel per year, about 8% of the whole domestic production [IRES 2003]. About 35 thousands people from Sesto had a job in the heavy industry – about 9 thousands of them worked at Falck (more than half of the total company workforce on national base).

The company, however, suffered the first and second oil crises that characterized the decade, leading the company to go ahead with its first restructuring and workforce re-qualification, followed by the transfer of all its electrical sector to a subsidiary in 1983.

The end of the Cold War and Kuwait invasion in 1990 triggered a second crisis, followed by the entrance of new players from developing countries in the steel market. Therefore, in the first half of the 1990s, the Falck management made some crucial strategic choices:

- decreased its presence in the steel sector;
- reduced the workforce (see table 1);
- started its repositioning in the production of energy from renewable sources.

It should be neglected that Falck still exists as industrial concern: Falck is now a group of more than 60 medium size companies and it keeps its headquarter in Sesto; today the main focus of the company is indeed on the production of energy from renewable sources and not by chance: since its origins, at the beginning of the 20th century, Falck has always boasted large-scale hydro-electricity production which guaranteed power supply to its iron and steel factories. In Italy, Falck workforce peaked at 15.000 at the end of the 1960s while nowadays the group has 250 employees.

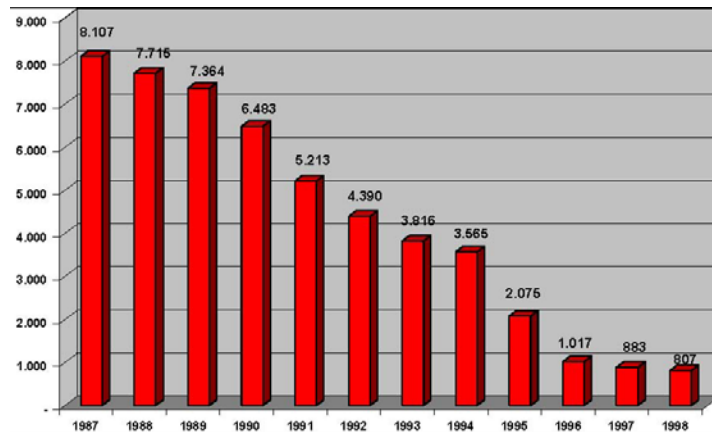


Table 1. Falck Steelworks: number of employees 1987-1998 [IRES 2003]

In the course of the 1990s, the European Commission drafted a normative framework for the last wave of closures: it required a 30 million tons reduction in total steel production and set aside funds and incentives for restructuring. The first Berlusconi government adopted the EC measure by passing a law in 1994 (act n° 481/1994) which provided additional financial resources for the dismantling of domestic steel factories.

This is the context where, in May 1993, the first agreement between Falck Steelworks, trade unions and the city council was signed. The agreement, however, generically mentions the restructuring of the steel industry in Sesto, and stresses the intention to relocate about 1,000 workers (out of 3,800 Falck employees in Italy). It is, in fact, an agreement still informed by a robust welfare framework, and provides for so-called social benefits and “shock absorbers” for redundant workers.

In order to carry on with the downsizing, the company devised an innovative measure: a service to buffer the blow for those laid-off, improve their employability, develop their skills and qualification to better cope with the change ahead. The Falck Observatory received funds for an equivalent of 23 million euros in today’s money [IRES 2003].

The institution of the Observatory started to work after the first agreement with the trade unions had been signed in 1993, and was extended by a second agreement in January 1996, following the “final dismantling” of the steelworks.

The Observatory consisted of 10 members: 2 corporate, 3 union delegated and 5 representatives of the workers. The Observatory had two main goals: on the one hand, it offered workers the possibility to create their skills balance sheet, receive motivational counselling, training, and internships for learning new skills and improve their employability; on the other hand, the Observatory collected information about the job demand in the Northern Milan area and spread information to local companies. The Observatory contacted these companies directly (more than 250 contacts), and followed the placement of each worker for a period of several months, where Falck continued to pay the salary and the receiving company had no obligation to retain the workers.

The Observatory staff had to combine relational skills (toward Falck workers), a sound understanding of labour organization, and a consultancy attitude (toward other companies that, for instance, needed to be informed about tax incentives they would get. In a word, the Observatory saw its work as ‘matchmaking’ (Falck Observatory, Report n. 3, 1998).

Between 1993 and 1999, this program allowed to find new jobs for 970 former Falck workers.

The Observatory secured the help of Cesare Kaneklin, the then chair of Occupational Psychology at the Catholic University in Milan. While doing our interviews with former HR staff from Falck, we came across some very valuable documents: three main reports, around 60-80 pages each, written by the research groups coordinated by Kaneklin between 1993 and 1998.

Among these reports, the most interesting is one documenting the activity carried out in order to assess “deprivation by labour” experienced by the workers on redundancy schemes or in the re-employment process (low-skilled and generic workers) and also understand the changes that those experiences had advanced. The report, therefore, investigated the social representation of both employment and joblessness. Its theoretical framework is based on Serge Moscovici’s theory on “social representation”, introduced in Italy by psychologists of a social-cognitive background such as Marco Depolo and Guido Sarchielli.

At the time, however, the use of trauma understood as “affective discontinuity” (WALKERDINE and JIMENEZ, 2012) - to explore the combined effects of the long-term work and stability in contrast with the final experience of phasing out of the industry – was yet unknown for people involved in the process of deindustrialization.

In fact, researchers from the 1990s never mention trauma, using the term “discomfort” instead - which they define as “*a complex process, by ‘complex’ meaning reflective, open to a double loop learning, influenced by variables of mutual interaction where lived experience depends largely on the resources the individual can use in order to cope with change*” [Falck Observatory, Report n. 2].

This led us to ask to one of the academics involved in the research on Falck workers to comment on this linguistic choice:

The word trauma, in connection to discontinuity, was not very popular at the time; the word trauma was mainly used in connection with extreme shocking events. The expression work discomfort had a wider use: it affected those who had already lost their job, those who were losing it, those who thought they were the next in line to lose it. The main problem for us was to outline a context that didn’t have any clear boundaries, it wasn’t a status that could be defined socially. There was also another advantage in using discomfort – because the word included the wait, the anticipation of a damaging event, both on a social and on a personal level. The word discomfort then, could refer to different categories of people: people still working, people who would never work again, people who might have found another job – all these people shared a common experience of discomfort. [Giorgio ZUFFO, interview 12 May 2015]

An important factor in the outplacement program promoted by the Observatory was the fact that about 80% of receiving companies were small or medium-sized, and only 20% were large companies: a state owned enterprise, such as the National Railways (Ferrovie dello Stato) hired 100 workers, and the Waste Collection company of the city of Milan (AMSA) 75 workers; the Municipality of Sesto city 9 workers.

But in most cases, no company hired more than one or two people.

The Observatory played a marginal role in relocating high-skilled workers, whose highly marketable skills allowed to find new occupations by themselves. For older (45 and more) and low-skilled workers, however, the Observatory was crucial. These workers had been the focus of the Observatory activity and of its cooperation with local government and unions by finding job opportunities.

To investigate this category of former Falck workers, the research group decided to rely on unstructured interviews to informants (picked randomly after 32 contacts) who were male workers, between 40 and 50 years old, married with children, unskilled workers, residents of Sesto or areas nearby, who had worked at Falck for a long time, who had been through “cassa integrazione” (the temporary lay-off with wage guarantee for some months), and

who had been afterwards re-employed by a small-sized company. The interview aims at bringing to the surface anticipations, personal perceptions and experiences, but also adjustments to their expectations.

The research then walked a rough terrain: organization models at Falck - the starting point - were quite different from those at the receiving company, and the move from big company to a small one meant to leave behind a good salary package and union protection, and join a work environment with a different culture, heavier pressure in terms of work, and immediate checks on results.

The investigation understood the process as an event where the individual had an active role, where the loss of a job was seen as a change of status (one of the many changes that are part of life) and where the stress is on change and not on deprivation, and insists on the need to pay attention on the resources that could be used as well as to the elements of vulnerability.

The factors that explain individual differences result from a complex combination: the commitment to one's job, age, gender – men seems to react worse; the length of transition, the level of economic deprivation, the availability of welfare plans, the vulnerability to stress, the degree of self-esteem (Falck Observatory, Report 3, *passim*; DEPOLO e SARCHIELLI 1987; WARR 1984)

Available resources are limited after the loss of the job at Falck: lower wages, lower employment protection, loss of social relationships, a personal role put into question, the lack of an established routine and inability to make good use of time. Losing a job is, in this sense, a threat to self-realization, but it doesn't provoke a single type of reaction. *Discomfort* is considered only one of the possible effects. And coping strategies depend on alternative resources: social, psychological, and material. The bigger the inventory of strategies, the higher the possibility of reaching a new balance in terms of earning, of social relationships and the ability to use time.

The word *trauma*, finally, was never used by researchers, but was rather used by many interviewees at the time (and also by our informants today) in connection with the redundancy scheme. And even if the experience opens up possibilities that are judged favourably – more family time, or the possibility of making some money on the side with informal occupations – reactions remain negative. Among these we found the sense of worthlessness, bore, social isolation, and, most of all, uncertainty: in fact, the worst moment, according to the informants in the 1990s, took place just before the start of the paid temporary redundancy, as the closure of the company began to loom, the moment when there was still work to do but it was perfectly clear that the mill would have been dismantled in the near future. The computers started to be unplugged, bits of information came scattered from different sources (from the company, the media or the union), there was the feeling of being in the hands of something which one of the workers articulated in this way “*we went along with the tide, the first wave passed, you waited for the following, it was like a Russian roulette, not as violent, but quite*” (Falck Observatory, Report n. 2, p. 48)

The most symbolic moment, on the other hand, is the closure of the last furnace. “*I was there when the last furnace was shut. It was a moment... when everything was extinguished, some were celebrating, they jumped and shouted, others just broke into tears*” (Falck Observatory, Report 2, p. 49).

The use of the word *traumatic* by the workers describing the job loss also underlines the idealization of Falck as a safe place, a world protected and protective which unexpectedly falls apart. This aspect surfaces clearly in the words of a training professional of the time

that we interviewed last year: “it was 1996, for me it was the first experience of requalification of Falck redundancies. They were the most difficult to relocate. They were psychologically in tatters, I remember very well, it was the thing I remember most from that training courses. They spoke about the mill as though it was a continuation of their home. The mill was their whole world. They spoke as if they wanted to say “there used to be everything in here”. Here was the problem: the total identification with the company, their company loyalty, because identification gave them a measure of strength. They thought they had completely lost it” (MB, trainer for Falck employees in the 1990s, interview 5 May 2015).

That reminds me what Alice Mah recently concluded: *Research suggest that neither mobility nor fixity creates a sense of loss, but that limited choice – based both on economic structures and on conflicted feelings of place attachment and despair over economic realities of industrial decline – does* [MAH 2012, p. ?]

An Observatory on Job Insecurity

I personally believe that the Falck Observatory records can help our general interpretation of Falck shutdown through the oral histories we collected (providing us or at least the flavour of a longitudinal enquiry) and can keep our interpretation tuned with recent deindustrialization studies, in particular with the recent effort of cooperation between scholars in deindustrialization studies and in social psychology [WALKERDINE and JIMENEZ, 2012].

The Falck Observatory records offered to our research in 2014-2015 a manifold chance:

- to understand the activity of the Observatory itself, which in Italy had been quite an unique experiment;
- to understand the role it played as a moderator of the negative effects of Job insecurity for Falck workers;
- to interview today the occupational psychologist involved in the closing of the 1990s (and we actually did so).

Moreover, they helped us to understand when and how occupational psychology in Italy got in touch with the international research on Job Insecurity that was fast growing and slowly becoming mainstream in North America as a field of investigation independent from the research on Job Loss.

Finally, in an indirect way, the Observatory records drove us to include in our interpretation narratives by top managers and middle managers (head of departments, head of division, plants directors that had been made redundant as well) instead of neglecting them or keeping them separate from those by workers. I personally judge this aspect one of the more valuable and original in our investigation.

Regarding occupational psychology, it should be remembered that Job Insecurity began to capture interest from scholars in US during the ‘80s, when millions of jobs were lost in heavy industry and when the nature of work was beginning to change in all industrial countries. Since then, job insecurity has emerged as

- an important construct, with a multidimensional definition and a specific characterization as a perceptual and a subjective phenomenon (GREENHALGH and ROSENBLATT 1984);
- a not less important social phenomenon, that can be one of the biggest “stressors” in employment situations, with several potential outcomes on both individual and organizational attitudes, with short or long reactions that affect physical and mental health and work-related behaviour (HARTLEY et al. 1991).

The research team of psychologists engaged in Falck in the '90s was not, or not yet, fully aware of the development their discipline was undergoing in the meantime in US. For the academics, this elaboration took several years and led to first publications on Italian scientific journals in the '00s [KANEKLIN e ZUFFO, 2006a, 2006b].

During the '90s, they still concentrated on the category of social representation introduced in France by Serge Moscovici. But since then, they have gradually began to shift towards the new key words and concepts, having understood as well that:

- that the term “job insecurity” refers to the **anticipation of a stressful and involuntary event**, well beyond a general concern over future employment;
- that prolonged uncertainty inherent to job insecurity will make more difficult for the individual to use the effective coping strategies and even to find them;
- that *“it may have as detrimental consequences as job loss itself: this is consistent with the central proposition of stress research that anticipation of a stressful event represents an equally important, or perhaps even greater, source of anxiety than the actual event ”* [SVERKE et. al. 2002b, p. 244]

Moreover, even in the Falck downsizing, they recognized that many variables can buffer against the negative effects of job insecurity. Among these variables there are: personality dispositions, such as locus of control, individual need for security, neuroticism, centrality of work (HARTLEY et al. 1991); or demographic factors, such as age or family situation (WARR 1984); and more important “moderators” as well, such as the role played by unions, local governments, the company itself through work support but also in explaining why the layoffs occurred and how they were implemented [BROCKNER et al. 1989].

The Falck Observatory can be deemed a “moderator” that proved effective. And through the Observatory, the consequences of job insecurity could be investigated both on those who lost their job and on the few “survivors” – workers who remained in the company after a layoff had taken place, 8% of the total Falck workforce in 1995 [RICONVERSIDER 2008].

As we have seen before, the Observatory operated examining with accuracy the local demand for labour (it managed more than 250 contacts in the area), and through outplacement counselling and individualised training. It did so in order to reduce, not only the workers perception of job insecurity, but also the actual distress for in the age span between 40-50 years (older workers had access to early retirement scheme) providing benefits and insurance well beyond the date of severance.

In respect of survivors, job insecurity have been studied by appropriating some general principle of [procedural] justice theory to the layoff situation and putting at the core some justice issues and fairness related questions. Indeed, both the laid-offs and the survivors may wonder:

- whether the redundancies were justified or truly necessary;
- whether the managers had given clear accounts and explanations of the reasons underlying their decision;
- whether they had considered alternative measures;
- whether the layoffs are consistent with the corporate culture (BROCKNER, 1987, 1988, 1989, 1992).

The last questions are particularly crucial in Falck, a company with a long paternalistic tradition in human resource management, a company that had always put a strong emphasis on employment security as integral part of the informal organization (many interviewees told us they were Falck workers but also sons or daughters of the former

Falck workers) and where employment security - together with high salary and allowances for shift work - was perceived as part of an implicit “psychological contract” between employer and employees [JICK and O’LEARY-KELLY 2003].

The strength of that culture – endorsed by the Falck Family across generations - proved critical in the phase of downsizing and re-positioning of Falck group in a different economic sector. Falck corporate culture had crucially been put to test in the effort made with the Observatory.

Conclusions

Our research on Falck has the opportunity to fill two gaps:

- in job insecurity literature, very few case studies had been addressed to the issue of the corporate support as moderator in context of downsizing: that is one further reason to hold the Falck Observatory case as particularly interesting;
- in deindustrialization studies, little attention has been generally paid to managerial narratives. By contrast, a lot of it has been devoted to executives in job insecurity studies: in Falck, during the ‘90s, the cuts hit managerial levels as well; in our interviews conducted with Falck employees during 2014-2015, we had the chance to examine not only the workers reaction but also the middle managers reaction to the shut-down. The job insecurity literature we intercepted because of the former sheds light also on the latter. In other words: not only on workers reaction but on middle managers reactions and perceptions.

One of the main findings in our research has been that the most visible tension in the sense-making and memory of the abandoning the steelworks is the one between middle and top managers, especially HR managers.

Compared to the shop floor workers, middle managers - after 20 or 25 years - still judge the top managers in charge of the downsizing more harshly, both about the substance and the style of how their layoff was handled.

In what we have been told by middle managers about it, we found many relevant clues regarding how they experienced this transition. Several features of their narratives bear noting:

- first, the growing and intentional distancing of the top management, the strategic minimizing of personal contacts with lower hierarchical level (it should be also noted that the new cohort of executives which managed the closing came to Falck from outside, often from large companies previously restructured, bringing a reputation as “hatchet men”);
- second, the perception by the middle management of being object of abusive measures, even “mobbing” before being fired (middle managers recognize that the word “mobbing” had not been even invented at the time the facts occurred);
- third, the brutal style of abrupt dismissal;
- fourth, the effects of the layoff on their physical and mental health on their opportunities and life (anxiety, depression, heart condition, broken marriages, etc).

Middle managers surely had more personal resources to deploy in respect to workers (more human capital, for instance) but less or no access to social buffers and more expectations about their own career and on upward mobility.

Borrowing two concepts from job insecurity literature, from the Falck case we can in turn underline two points.

On one hand, the middle management reactions reveal the perception of a “psychological contract breach”, in other words, the perception of an unmet obligation or unfulfilled implicit promise by the employer. I would like to give some clarifying example:

The arrival of the new CEO in Falck in 1989 was the sign that things had changed. He didn't have anything to do with steel, he didn't even know how steel was made; but he knew what he wanted, he had a clear vision of the direction we had to take and what to do in order to take other and new managers on board, executives with the highest ranking position reporting to him. This phase lasted about four/five years. After that, old Falck managers like me were marginalized, their history didn't count anymore; it was as though nobody knew who you were, you were the same as any other, the fact that you had worked your ass off for 25 years and someone else had arrived the day before didn't make any difference to the new CEO [FV, Head of Division Steel Strip Production, interview 14 April 2015]

The new managers that were hired to replace those who were leaving Falck received twice the salary, twice the average of our salary, and that annoyed us, annoyed us real bad [GM, Head of Division Technologies, interview 12 January 2015]

My relationship with the new top management was total conflict, different from the tough relationship we used to have sometimes between us, and different from the conflict you can expect in any company, for job-related issues, or just because someone wants to stand out...that is a different kind of conflict. ...In our case, it was “mobbing”. Yes, the word mobbing came later, but it describes perfectly what was happening then. [FC, Plant Manager, interview 15 December 2014]

There are many ways of shutting down, but that chosen by the new CEO was to erase the old management, with what to me appeared brutal, gross and absurd behaviour. I have personally paid a big price for this experience. It made me feel sick. I had joined Falck as a boy, I wanted to get on well with everybody – colleagues, bosses, contractors, workers. It wasn't me who said I was a “good one”, it was the others who said it. Anyway, there comes this new guy, and totally out of the blue – I was in Japan on a business trip - he demoted me. But it was perfectly clear that they wanted to give me the sack. I felt very bad, because I was 50-51, and five people in my family depended on my support. I kept asking myself: “If they kick me out of here, where can I go? Where? ---a tragedy...I also suffered from heart failure. I don't know whether it happened by chance, whether I would have got sick anyway, the thing is, in those very same years, when this new boss arrived, between 1990 and 1993, I felt very bad, I suffered a lot. I had to swallow many a bitter pill. And in the end I suffered from heart failure. [GM, Head of Division Technologies, interview 12 January 2015]

On the other hand, middle managers also reveal the perception of a growing “organizational cynicism” (in other words, a lack of integrity by the top management, and moreover the violation of fundamental expectations regarding sincerity and honesty) [FOLGER and SKARLICKI 1998]

One of the things that led Falck to ruin was the growing estrangement between the family owner, top management and middle managers, and the latter had been the real strength of Falck. Mid-managers at Falck were those who really believed in what they were doing and believed that their work was crucial for the company and that's why they did it the best they could. This came to an abrupt end in the 1990s. The new HR managers weren't having a good influence, because they were going around saying that managers didn't know how to do their job. Thus, with the coming of the new top managers and of consultant from outside the company, Falck became a house of lies: nobody was telling their boss how things really were, deception everywhere. Those who, like me, had been part of the company for a long time had to witness the fact that many were clearly lying to their boss, but it was a defensive attitude, thus many things were kept hidden, and maybe something might have been done; a sort of inner conviction prevailed, something like “these guys don't know a thing about the company, don't know a thing about the steel industry, they come here blabbing and they don't really want to save the company ”. [FB, Executive responsible for External Relations, interview 14 March 2015]

This is not mere anecdotal evidence. It should be noted that occupation psychology in Italy during the '90s was just beginning to study the leadership crisis in the contemporary economic transformations (FULCHIERI e NOVARA 1992).

Later, occupational psychology and organization studies have brought attention to those kinds of experience – far less idiosyncratic than they could appear at first sight - opening a general discussion on the conditions under which top managers show inclination to distance themselves from people made redundant.

It was perhaps too early to notice, ma those were also the first signs of a profound transformation in managerial capitalism in North America and in Western Europe. Managerial models were shifting from a technocrat to a propriety form, with rewards systems entirely new, that is: top managers - even industrial managers - stopped to perceive themselves as “technocrats”, neutral brokers among different stakeholders, and most of all between capital and work, and they turned into a special class of shareholders. Indeed, in the period in question, corporate compensation and incentive practices changed, and compensation gaps between top executive officers and other members of senior management widened. [ENGLANDER and KAUFMAN 2004].

This general trend in the big business under the pressure of globalization is quite well exemplified in the Falck case.

I conclude with one of the most quoted sentence in deindustrialization studies:

What has been labeled Deindustrialization in the intense political heat of the late 70s and early 80s turned out to be: a more socially complicated, historically deep, geographically diverse, political perplexing phenomenon that previously thought [COWIE and HEATHCOTT 2002, p. ??]

One of my intuitions beyond the research is that the Falck case study tells us something about the first signs regarding a long process of retreat of the middle class, or at least of its “shrinking”. It is actually no more than a intuition, but consistent with some recent solid research on the polarization of labour market in western economies after deindustrialization has taken place [MORETTI 2012; AUTHOR et al. 2010]

Bibliography

Jeffrey ALEXANDER et. al., *Cultural trauma and Collective Identity*, Berkeley, University of California Press 2004

ID., *Trauma. A Social Theory*, Cambridge (UK) Polity Press 2012

David AUTOR et al., *The Polarization of job Opportunities in the US Labor Market. Implications for Employment and Earnings*, The Hamilton Project, April 2010

Joel BROCKNER, *The Effects of Work Layoffs on Survivors: Research, Theory and Practice*, in RESEARCH IN ORGANIZATIONAL BEHAVIOUR, v. 10, 1988, pp. 213-255

ID., *Scope of Justice in the Workplace*, in JOURNAL OF SOCIAL ISSUES, v. 46, n.1, 1990, pp. 95-106

ID., *Managing the Effect of Layoffs on Others*, in CALIFORNIA MANAGEMENT REVIEW, winter 1992, pp. 9-27

ID., *Survivors Reaction to Layoffs*, in ADMINISTRATIVE SCIENCE QUARTERLY, v. 32, 1987, pp. 526-541

ID., *When it is Especially Important to Explain Why: Factors affecting the relationship between managers' explanation of a layoff and survivors' reaction to layoff*, in JOURNAL OF EXPERIMENTAL SOCIAL PSYCHOLOGY, v. 26, 1990, pp. 309-407

Jefferson COWIE and Joseph HEATCOTT (eds.), *Beyond the Ruins, The Cultural Meaning of Deindustrialization*, Ithaca, Cornell University Press, 2002

Marco DEPOLO, Guido SARCHIELLI, *Psicologia della disoccupazione*, Bologna, il Mulino 1987

Katherine Marie DUDLEY, *The End of the Line. Lost Jobs New Lives in Postindustrial America*, Chicago, University of Chicago Press, 1994

Ernie ENGLANDER, Allen KAUFMAN, *The End of Managerial Ideology: From Corporate Social responsibility to Corporate Indifference*, in Enterprise and Society, vol. 5, n. 3, 2004 pp. 404-449

R. FOLGER, D.P. SKARLICKI, *When tough times make tough bosses. Managerial distancing as a function of layoff*, in ACADEMY OF MANAGEMENT JOURNAL, v. 41, n. 1, 1998, pp. 79-87

Leonard GREENHALGH, Zehava ROSENBLATT, *Job Insecurity: Toward Conceptual Clarity*, in ACADEMY OF MANAGEMENT REVIEW, vol. 9, n. 3, 1984, pp. 438-448

Mario FULCHIERI, Francesco NOVARA, *Stress e Manager. Un riesame della letteratura e una ricerca sul campo*, Roma-Ivrea, Fondazione Adriano Olivetti 1992

- Jean HARTLEY et al. (eds), *Job insecurity. Coping with Job at Risk*, SAGE London 1991
- Steven HIGH, *Industrial Sunset. The Making of North America Rust Belt 1969-1984*, Toronto, University of Toronto Press 2003
- Steven HIGH and David LEWIS, *Corporate Wasteland. The Landscape and Memory of Deindustrialization*, 2007
- IRES, *Il Processo di riconversione della Società Anonima Acciaierie e Ferriere Ilmbarde Falck*, a cura di Stefano PALMIERI, *Working paper* presentato in occasione della audizione pubblica tenuta al Parlamento Europeo di Bruxelles, avente per oggetto la Ristrutturazione industriale organizzata dal Comitato per l'Occupazione e gli Affari Sociali e dalla Fondazione Europea per il miglioramento delle condizioni di vita e di lavoro, 17 giugno 2003
- Harold JAMES, *Family Capitalism. Wendels, Haniels, Falcks and the Continental European Model*, Cambridge (Mass.), Harvard University Press, 2006
- T. JICK, A.M. O'LEARY KELLY, *The effect of psychological contract breach and organizational cynicism*, in JOURNAL OF ORGANIZATIONAL BEHAVIOUR, v. 24, 2003, pp. 627-647
- Cesare KANEKLIN, Maria Cristina ISOLABELLA, *Immagini emergenti della leadership nelle organizzazioni*, Vita e pensiero Milano 1997
- Cesare KANEKLIN, Giorgio ZUFFO, *Alle origini dello studio sulla Job Insecurity e sui Survivors: I modelli di Greenalgh e Brockner*, in Luigi FERRARI, Ornella VEGLIO (ed.), *Donne e uomini nel mercato del lavoro atipico. La dimensione psicologica e di genere nel lavoro precario e flessibile*, Milano, FrancoAngeli 2006
- Cesare KANEKLIN, Giorgio ZUFFO, *Spunti su Job Insecurity, crisi della leadership, neo-mercenarismo professionale*, ibidem.
- John KIRK et al. , *Changing Work and Community Identities in European Regions. Perspectives on the Past and Present*, London, Palgrave 2012
- Alice MAH, *Industrial Ruination, Community and Place. Landscapes and legacies of Urban Decline*, University of Toronto Press 2012
- OECD, *Industrial Restructuring and Enterprise Development*, Paris, December 2006 (<https://www.oecd.org/cfe/leed/37068503.pdf>)
- RICONVERSIDER-FEDERACCIAI, *Il caso Falck: cosa abbiamo appreso*, contributo per il progetto europeo SECTOR (Shared Enhancement for Cooperation to Transform and Restructure), mimeo, April 2008
- Tim STRANGLEMAN, Sherry LINKON and James RHODES (eds.), *Crumbling Cultures. Deindustrialization, Class and Memory*, in INTERNATIONAL LABOR AND WORKING CLASS HISTORY JOURNAL, special issue, Fall 2013

M. SVERKE, J. HELLGREN, *The nature of Job Insecurity: a meta analysis and review of job insecurity and its consequences*, in APPLIED PSYCHOLOGY, v. 51, 2002, pp. 23-42

M. SVERKE, et al., *No security. A meta analysis and review of job insecurity and its consequences*, in JOURNAL OF OCCUPATIONAL HEALTH PSYCHOLOGY, v.7, n. 3, 2002, 242-264

Christine J. WALLEY, *Exit Zero. Family and Class in Post-industrial Chicago*, Chicago, University of Chicago Press, 2013

MILANOSESTO, Milano, Bizzi & Partners Development, 2015

Marcel VAN DER LINDEN and Bert ALTENA (eds), *Deindustrialization. Social, cultural and political aspects*, INTERNATIONAL REVIEW OF SOCIAL HISTORY, Special Issue, 2002

Valerie WALKERDINE and Luis JIMENEZ, *Gender, Work, and Community After Deindustrialization. A Psychosocial Approach to Affect*, London, Palgrave 2012

P. B. WARR, *Work and Unemployment*, in P.J.D. DRENTH et al., *Handbook of Work and Organization Psychology*, London, Wiley 1984