

CRISES AND COMPENSATION

**EXPLORING THE INFLUENCE OF EXTERNAL CRISES ON
EMPLOYEE BENEFITS PRACTICES**

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Crises and Compensation; Exploring the influence of External Crises on Employee Benefits Practices

Abstract:

During the last years, the food retail industry in Sweden has been exposed to two crises; Covid-19 followed by rapid inflation. Except for organizational difficulties, these crises caused anxiety, lower well-being, and decreased living standard among employees. It puts pressure on decision-makers to manage both operations as well as meeting employee needs to secure success. This study explores how highly uncertain and distinctive crises impact the decision-making process concerning employee benefit and employee management, where decisions lack prior experience and information. The study is of an interpretivist qualitative nature, wherein semi-structured interviews have been conducted on decision-makers. The research sample consists of 9 ICA owners with different sized stores, from various locations in Sweden. The data has been analyzed through an inductive approach by combining the Weick (1995) Sense-Making Model and Uzonwanne's (2016) Rational Decision-Making model. The findings provide novel insights of how highly uncertain crises transform decision-makers' sense-making processes and mindsets about employee benefits, elevating their importance and influencing subsequent decision-making strategies. The decision-making process is influenced by identity, organizational culture and previous experiences from Covid-19 which further act as extracted cues for decisions of the following crisis of inflation. All of which creates a continuous loop that will keep affecting future decisions regarding benefits. The study contributes to a decrease in the research-practitioner gap regarding reward systems by investigating decision-makers perspective. It also gives new insight into the decision-making process by developing on the crossroads of sense-making and decision-making.

Keywords:

Employee Benefits, Covid-19, Inflation, Decision-Making, Sense-Making, Food Retail Industry

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// Astrid and Tara

Definitions

Table 1

Concept	Definition
DM	Decision-Makers
EB	Employee benefits
Food Retail Industry	Places that are selling primarily food and beverages, such as Grocery stores
ICA Kvantum	The second largest store of ICA, with a size of 3000 square metres. Larger product range compared to smaller, longer opening hours, and greater deli counters with eg meat and fish (ICA Gruppen, 2022).
ICA Maxi	The largest store of ICA, with a size of 5500 square metres. Is placed in the outskirts of urban areas and is often reached by car. They have the largest assortment of food, as well as the largest range of special products (ICA Gruppen, 2022)
ICA Nära	The smallest store size of ICA, with a size of 400-800 square metres. Located in areas with 2500-4000 inhabitants. Mostly only offer products of daily necessity. (ICA Gruppen, 2022)
ICA Owner	They Owns and operates their own store with full entrepreneurial and employer responsibilities, while the rights to the brand and the store location are regulated through agreements with ICA Sweden AB (ICA Gruppen, 2022)
ICA Supermarket	The second smallest store of ICA, with a size of 1700-2 000 square metres. Larger than ICA Nära, with daily necessities, but also an assortment to do your weekly grocery shopping (ICA Gruppen, 2022)
Non-Legal Benefits	Employee benefits which are not regulated by the law, and thus voluntary for the employer to provide (Beam et al, 2001).
P#	“P” stands for the participant, and the number instead of the placeholder “#” represents which participant we are talking about. For example, P100 would indicate participant 100.
RDM	Rational Decision-Making

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1. Introduction

1.1 Background

During the last years, the food retail industry in Sweden has been under pressure from different crises, forcing quick adaptations to survive. In 2019, the world became exposed to Covid-19, creating anxiety and uncertainty throughout the whole country. Consumer behavior shifted and increased total industry revenues and profit by 9,6% (Höhler et al, 2021). Simultaneously, the industry generated operational difficulties due to a shortage of personnel as well as bottlenecks in the supply chain. Shortly after, the industry was exposed to international food price shocks and inflation mainly accelerated by the Ukraine-Russian war. The operational costs grew strongly, contributing to a drop in sales by 9% (Statistics Sweden, 2023).

As the food retail industry is categorized by a high volume of interaction among individuals, Covid-19 created anxiety and lower well-being among employees (Özer et al., 2023), while rapid inflation decreases employees' individual living standards (Sirgy, 2018). These unexpected and ambiguous events create dubious situations for organizations to manage both operation difficulties and employee well-being. One tool commonly used to satisfy employees is Employee Benefits (hereafter EBs) (Beam et al, 2001). The main idea is that EBs are provided in an expected exchange for something else. This could be, for instance, increased performance and flexibility to enhance organizational operations (Armstrong, 2007). Later research has focused on exploring how EBs should be managed and adjusted to meet the shifting needs among employees during a crisis to secure satisfaction and well-being (Galanaki, 2020). However, of the authors knowledge, little attention has been given to exploring how decision-makers (hereafter DMs) implement decisions regarding EBs and employee management in highly uncertain situations, such as Covid-19, where previous experiences are unable to be applicable.

This study therefore aims to explore the impact of highly uncertain and distinctive crises on the decision-making process concerning EBs and employee management, where DMs lack prior experience and information, in order to generate new insights into decisions being made in a highly uncertain environment. The research adopts a qualitative approach and focuses on ICA, the largest player in Sweden's food retail industry, holding 52% of the market. ICA operates under the business model where each store acts as an independent entity, owned and managed by individual "ICA-handlare" (ICA owners). This unique model allows for localized concepts and offers, meeting the needs of the customers in nearby areas (ICA Gruppen, 2022). However, it also exposes the stores to negative external events which require owners to navigate operations independently. As the social context around them differs, strategies and decisions made by each ICA owner needs to meet its specific employee needs and operation. This enables a comprehensive understanding of the owners' perspective on decision-making, considering the similar challenges posed by unprecedented events and the necessity for tailored strategies to navigate through such circumstances (ICA Gruppen, 2022).

1.2 Prior research and Research Gap

While extensive research on the employee-employer relationship and EBs contribution to positively enhance this relationship exists, little attention has been given to DMs understanding and decisions on EBs. Especially, how they respond to novel challenges to satisfy both operational and employee needs (Beam et al, 2001; Ko et al, 2014; Gabriel et al, 2022). In general, the main interest among researchers has been employee perception satisfaction and well-being in an ever-evolving world and how DMs

should act regarding EBs in crises to meet these changes in employee perception (Ko et al, 2014). However, there have been a few studies on how external crises actually affect EBs, previously the primary focus has been on inflation and how these affect the value of EBs which changes the employee-employer relationship (Beam et al, 2001). On the other hand, as inflation and recession have been occurring events where DMs learned and possess previous experience on how to manage these, there is still a research gap regarding how novel crises, such as Covid-19 followed by rapid inflation affect the management of EBs (Beam et al, 2001).

Furthermore, decisions regarding EBs tend to ignore the evolving process, focusing instead on one-time decisions (Reddick et al, 2008). In general, decision-making and its process has been a well-explored subject (Nutt et al, 2010). However, this research is weak when considering how individual biases and social interactions influence DMs perception and how to manage complex situations, especially when no information is available on how the crises will evolve (Sandberg et al, 2015). Therefore, it is of interest to explore how decision-making among ICA owners regarding EBs are impacted in times of crises.

1.3 Aim and Research Question

The aim of this study is to explore how the decision-making process regarding EBs is affected in times of novel crises that yield limited information to gain deeper insights in how DMs perceive, understand and act when external demands are conflicting. By combining Weick's Sense-Making Model (1995) and a Rational Decision-Making Model (Uzonwanne, 2016), the thesis examines DMs decisions and underpinning reasons when managing EBs during crises. Therefore, the study focuses on DMs perspective, specifically ICA store owners, rather than well-studied employee perceptions in crises. The research question that will be the base of this research is the following;

“How is decision-making regarding employee benefits impacted in times of crisis?”

1.4 Intended contributions

By combining sense-making and decision-making models, this qualitative study of ICA owners' perspectives and perceptions will give a deeper understanding of the relevant decision-making process on EBs. Specifically, insights on its impact on decisions and how it is influenced when exposed to novel and ambiguous crises where information is limited. New insights generated on the decision-making process could create a new path for further organizational research, by recognizing potential obstacles or possibilities DMs face when entering the decision-making process in unfamiliar circumstances.

1.5 Delimitations

The thesis will only investigate the food retail industry in Sweden. Sweden's unique approach during Covid-19 by relying on individuals' responsibility through restrictions rather than enforcing lockdowns (Ellingsen & Roine, 2020) makes the country particularly interesting to investigate. The study will also only consider ICA stores since it is the largest brand, representing half of the market (Hirsch et al., 2021), thus not only providing a better generalization for ICA themselves but for the industry as a whole.

Given the research purpose, the study will only examine ICA store owners, due to their business model of majority ownership in the store they run. This gives every owner decision-making power

over their own store, employees, and benefits. There is no interest in looking at the management team or the employees, as decisions regarding EBs are made by ICA store owners.

Furthermore, this study will only examine ICAs three largest stores; ICA Maxi, ICA Kvantum and ICA Supermarket, excluding ICA Nära. This is due to the sample extracted, based on the willingness of participants to conduct interviews where ICA Nära was none of them.

Lastly, the study will only focus on non-legal EBs, which are not required or imposed by law. By only focusing on non-legal EB, a more accurate study on DMs decisions and different attitudes regarding these benefits when not imposed by regulations is possible.

2. Literature Review

2.1 Food Retail Industry During Crises

The Swedish food retail industry had an annual turnover of 306.5 billion SEK in 2022 but has experienced a decrease in growth during the recent year (Statistics Sweden, 2023). Within the industry, some large players are competing for market shares, such as ICA (52.5%), Axfood (Willy:s and Hemköp) (18.9%), Coop (18.1%), and some other smaller players such as Lidl (5.3%) and Bergdahls (5.2%) (Delfi, 2022).

Already in 2019, Covid-19 had the world in its grip, transforming everyday operations as well as customer perceptions and behavior within the food retail industry (Wang et al., 2020). The panic caused by the uncertainty of the pandemic resulted in increased e-sales for grocery stores and bulk-buying from customers (Martin-Neuninger et al, 2020). These also resulted in higher sums, though spending less time in-store (Wang et al., 2020). Wang et al. (2020) show that these increases in Covid-19 restrictions have impacted the safety expectations within stores, something which has had lasting effects that still remain. Though Covid-19 had a large impact on a majority of economies and organizations, it was instead found to have increased the food retail industry's operating revenues and profits by 9.6% (Höhler et al, 2021), pointing toward the pandemic being sub-sector specific in their negative effects. The pandemic entailed lower well-being and life satisfaction for individuals (Brindal et al., 2022) and increased death anxiety among healthcare workers (Özer et al., 2023). Both these findings could have an effect on professions with a high volume of interactions on a daily basis in close proximity to others, such as grocery store workers.

Due to recent changes in the Swedish economy, such as rising inflation as well as international food price shocks (Peersman, 2022), retail sales of consumables have decreased by approximately 9% when comparing March 2023 to March 2022 (Statistics Sweden, 2023). Additionally, these shocks in food prices are pointed out to be a strong and economically meaningful driving factor of inflation, together with price shocks in crude oil (Peersman, 2022). Generally, inflation is expressed to be harmful to economic growth (Mandeya et al, 2022), impacting food retail stores among others. Individuals' subjective well-being is also affected by these changes in the macroeconomic environment due to decreased standard of living and different income expectations among other things (Sirgy, 2018), which may increase employees' appreciation to EBs.

2.2 Employee Benefits

During recent decades, EBs have grown significantly due to changing external demands on organizations (Beam et al, 2001). EBs comprise all added perks given to employees beyond their normal wages and salaries. Examples of such are monetary bonuses, wellness programs and work development (Reddick et al, 2008). The purpose of EBs is for employers to be competitive in the labor market, attracting and retaining personnel (Beam et al, 2001). Another view of EBs that emerged deals with organizational strategies to implement and maintain reward systems to meet the needs of both employees and organization (Armstrong, 2007). Researchers refer to this concept as Social exchange theory (Emerson, 1976; Cook et al., 2014). Further exploration through this concept has generated studies on employees' perspectives on EBs. The purpose was to find a benefit portfolio that meets employees needs to create a positive employee-employer relationship (Ko et al, 2014).

Decisions regarding EBs tend to ignore the evolving process, focusing instead on one-time decisions (Reddick et al, 2008). As the world changes and develops, benefits that work today may not be suitable for future employee needs, which indicates that EBs need to be studied frequently in order to meet desired purpose (Beam et al, 2001).

In general, research has been conducted to explore employee well-being during crises and how DMs should adjust EBs to meet changing needs (Galanaki, 2020; Gabriel et al, 2022). However, of the author's knowledge, little attention has been given to DMs' view regarding employees and EBs when entering into different crises. This indicates a gap in the practical research.

2.3 Decision-Making and Sense-Making

Decision-making is a central and well-explored subject rooted back to 1960 (Nutt et al, 2010). As organizations grow and become more complex, managers need to make strategic choices among ambiguous alternatives to maximize utility for both organization and key stakeholders (Simon, 1960). Mintzberg et al (1976) describe this process as the recognition of a problem, evaluating potential solutions, and action taking place. The main assumption of decision-making is rationality, where individuals make decisions based on objective knowledge and logic. Criticism regarding this theoretical framework has unfolded during the last decades, by neglecting variables such as individual biases, environmental complexity, etc. The subjective interpretation and understanding of the DM is not taken into consideration (Nutt et al, 2010).

A few decades later, Karl Weick (1995) introduced a new perspective in organizational studies called sense-making, described as the process of transforming complex situations into something that can be clearly understood through words. This understanding becomes a starting point for taking action (Weick et al, 2005). The process incorporates how identity, social constructions, and social interactions influence how individuals retrospectively extract cues from previous experience and knowledge to make sense of a situation, thereafter acting (Weick, 1995). Later research has mainly tended to explore the interpretation process of ambiguous events, excluding the creation and enactment of sense-making (Sandberg et al, 2015).

Moreover, to further explore managerial decisions a new field in organizational research has discovered the interplay between sense-making and decision-making (Boland, 2008; Helms Mills et al, 2010). Researchers tend to experience difficulties combining them due to their different views of the world and how to generate knowledge (Boland, 2008). However, Boland (2008) detected that managers' creations in organizations, such as established reward systems and work processes, show a case where decision-making and sense-making are brought together. Some studies use sense-making as a supportive tool for managers to understand a situation rather than applying the framework (Sadler-Smith et al, 2004; Awati et al, 2022). However, there is minimal research bringing these two concepts together in analyzing individuals' decision-making process (Helms Mills et al, 2010), indicating a large gap for further studies in this area (Beam et al, 2001).

3. Theoretical Framework

The theoretical frameworks used in this case to stimulate an analysis constitute Weick's Sense-Making Model (1995) and a Rational Decision-Making Model (Uzonwanne, 2016).

3.1 Weick's Seven Properties of Sense-Making

Weick argues that sense-making is a process of seven characteristics; construction of identity, retrospective, enactive, social, ongoing, extracting, identifying cues and plausibility (Weick, 1995).

3.1.1 Ongoing

Sense-making is an ongoing process of continuous action that never starts or stops. Weick (1995) explains this as pure duration, which means that individuals are always physically somewhere and experience flows in forms of problems, solutions, people and choices. However, the reality of flows becomes noticeable when the flow is interrupted, normally through emotions. It is a signal that changes have occurred in the environment and the individual tries to make sense of the situation retrospectively (Weick, 1995).

3.1.2 Identity Construction

Identity and the construction of identity is the initial part of sense-making. Weick (1995) argues that identity is continuously redefined by interactions with others and the wider world. The sense-making is therefore dependent on how the individual defines itself of "who they are" in reaction to the world, who they want to be, as well as how the individual changes in order to meet their ideal self. The sense of oneself influences how the individual reacts, selects and interprets and understands the world (Weick, 1995).

3.1.3 Social Activity

Sensemaking is a social activity by creating novel thoughts in the context of interaction with others. It is dependent on the culture, social norms, upbringing and education etc which shape a shared meaning. By seeking information, and exchanging stories or ideas in the form of communication, sense-making is negotiated and mutually constructed (Weick, 1995). This forms what, for instance, an organizational culture looks like.

3.1.4 Focused On and Extracted Cues

Extracting cues may arise from uncertain and ambiguous situations where individuals attempt to make sense of the experience. This is done by using pieces of information and experiences to make sense of the whole situation. According to Weick (1995), what is extracted as a cue and how it is interpreted depends on the situation, but it is when they are formed into mental maps that incorporate sense-making. However, the cues extracted are influenced by the social context since it affects the salience of information in terms of norms and expectations that restrain an individual from noticing all and which relevant cues to pay attention to (Weick, 1995).

3.1.5 Retrospective

Retrospection in sense-making processes refers to the previous experiences, decisions and events that dictate how individuals perceive the world. Weick (1995) explains that an individual's understanding of an experience and the cues they give can only occur after it has happened. By reflection, the

individual could make plausible sense retrospectively. Sense-making's primary goal is clarity and rationality, when this feeling is achieved, the retrospective processing ceases (Weick, 1995).

3.1.6 Enactive of Sensible Environments

Enactment relates to the part where the different pieces of the puzzle, cues, past experiences, social environments, identities and so on, are brought together to create a larger picture of sense-making. According to Weick (1988), people often produce part of the environment they face by making sense of the environment, through bringing structures and events together. It is the process of gaining knowledge or building meaning by binding observations, experiences and arguments that creates a coherence in information. It reduces ambiguity and makes reality containable by making sense of what has happened or will happen (Weick, 1995).

3.1.7 Driven by Plausibility Rather Than Accuracy

The process of sense-making entails constructing and accepting plausible interpretations and meanings within a constantly shifting world. Weick (1995) emphasizes that prioritizing sufficiency and plausibility over precision is less time consuming and enables individuals to make sense of events and move forward. Accurate perception has the power to be time consuming and reduce the action rationality. Sense-making entails retroactively constructing plausible mental images, not necessarily accurate ones, to rationalize individuals actions or experiences (Weick, 1995).

3.2 Rational Decision-Making

The introduction of decision-making styles by Scott and Bruce (1995) provided a new view of how decisions are made. They identified four primary styles which they called: rational, intuitive, dependent, and avoidant. Kaufmann et al. (2014) also looked at the difference between rational and intuitive decision-making, in which the intuition-based increases innovation but also costs, and the rational-based betters cost performance as alternatives are usually more thought through. Intuitive decision-making, though providing quicker and less contemplated decisions, relies on the experience of the DM, and most often is not in need of logic or information (Uzonwanne, 2016). Adding to this, during situations of uncertainty, where a leader cannot rely completely on past experiences nor has all of the information he might need, rational decision-making is increasingly important in making educated decisions (Kaufmann et al., 2014).

Rational Decision-Making models (from hereon RDM) often entail a sequence of logical steps to arrive at a decision and are primarily used to enhance decisions as well as broaden the space for potential solutions (Olden et al, 2008). These steps follow (Uzonwanne, 2016):

1. **Clearly define the problem.** It is important that one knows what one is solving, why and that one is solving the right problem.
2. **Define what the solution scenario would look like and analyze the gap.** How does one get from problem to solution? What steps need to be taken? How does one know they have reached a successful solution?
3. **Gathering information.** To make an informed decision, one needs facts, opinions, and information that may help guide the decision-making.
4. **Define possible solutions and choose the best one.** One should study the potential outcomes and the impact they may have, and then choose the one that provides the best fallout,.

5. **Implement and evaluate.** How is the solution working? Does it solve one's problem? Is it aligned with our solution scenario?

3.3 Discussion of Theoretical Frameworks

Sense-making may have a large and subjective impact on decision-making, in particular in crises. Weick's sense-making model has generally received little criticism, is relatively new and only a few have yet sought to further improve the framework (Sandberg et al, 2015). One concern expressed is the tendency of the theoretical framework to overlook a larger context, and thus neglecting to consider institutional, societal, and historical backgrounds (Sandberg et al, 2015). Sandberg et al (2015), also comment that the study only covers principles connected to sense-making, but not the actual sense-making process itself. Furthermore, the authors of this study are of the opinion that the framework does not address the intricacies of the social environment enough.

Though being established frameworks, RDM has been criticized for being rigid and not taking more human factors into consideration (Scott & Bruce, 1995). It assumes that everyone naturally wants to make decisions whenever the outcome is of value to them and that we will always be logical when considering our choices (Uzonwanne, 2016). This groups all decisions together, which is something Kahneman (2011) argues is not the case. He presents us with two different ways of thinking, one of which is better suited for emotional and quick decisions, while the other is more fitted to complex and rational-based problems that desire more attention. This, however, still supports the point that complex problems, such as those arising due to crises, need rational decision-making. Furthermore, though an intuitive DM can work during normal operation times, in times of uncertainty it is even more important to have logic based action and well-thought through rational decisions, when an industry or the economy becomes volatile (Kaufmann et al., 2014). Especially, when there are no previous experiences to rely on, as in the case of Covid-19.

Using two frameworks instead of one enables this study to cover a broader range of perspectives and understandings, and to complement each other in providing a better answer to the chosen research question. Due to this research paper observing decision-making during crises, in which information is a vital part of making sense of a situation as well as arriving at a decision, it is suitable to combine them. A consequence of this may be a lengthy analysis that goes broader rather than deeper, having slight overlaps. By combining sense-making and decision-making (see Figure 1), this paper moves into a realm not yet studied enough.

Combined Decision-Making and Sense-Making Model

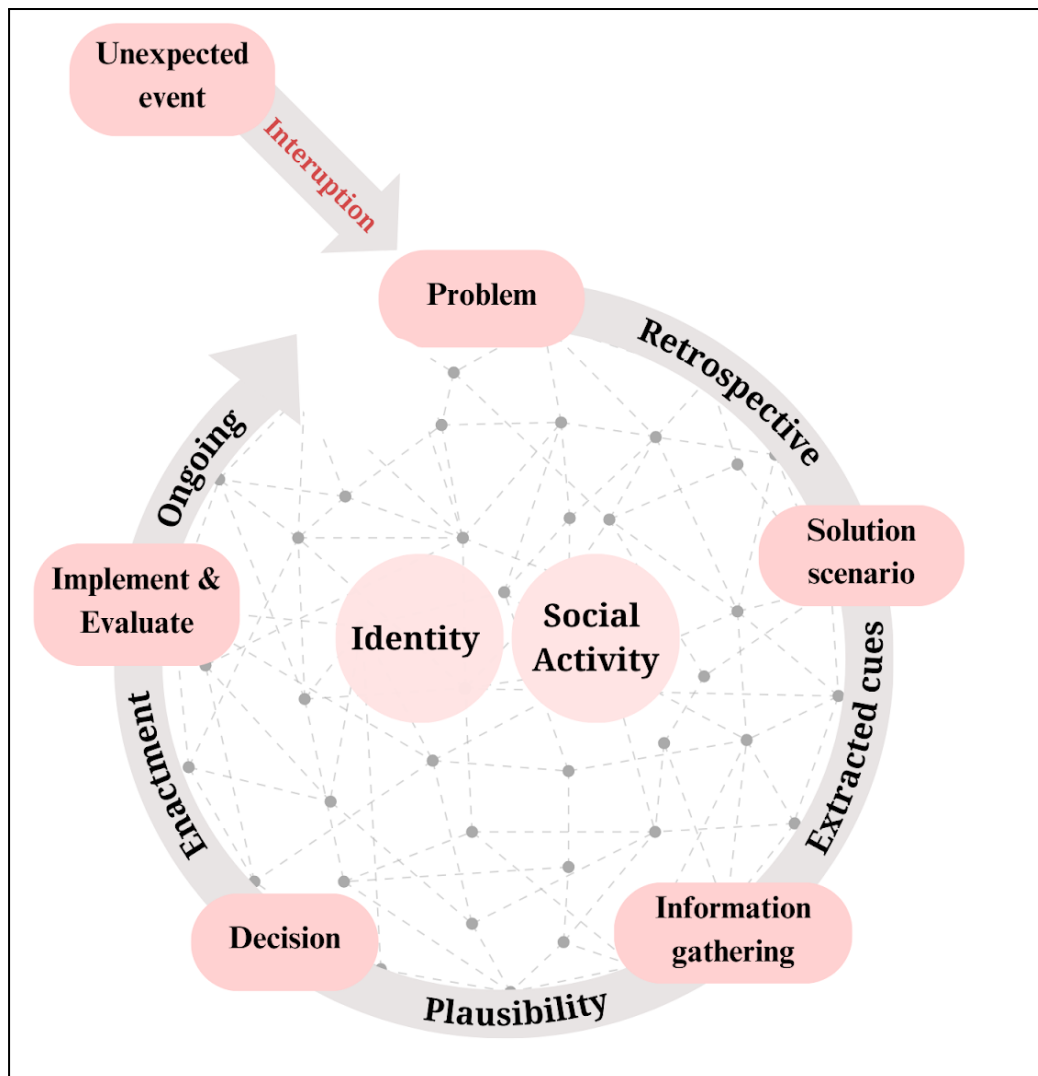


Figure 1, Made by Authors, Inspired by Uzonwanne (2016) and Weick (1988)

4. Methodology

4.1 Research Design and Strategy

This study follows the interpretivist paradigm with an inductive approach (Saunders et al., 2019), where theoretical frameworks are incorporated later on in the research. The research pursues a subjectivist ontology as DMs sense-making and decision-making is studied. The study is of exploratory nature and seeks to understand the thoughts of its participants, rather than to confirm a certain hypothesis. The chosen research strategy is a mono-method qualitative study in the form of semi-structured interviews.

4.2 Research Methodology

4.2.1 Research Participants

The participants relevant for this study are the DMs of EBs. As one of the study's authors has worked at ICA, as well as having spoken to a volunteering participant, it became clear that the CEO of the store was the one primarily who made these decisions. Thus, it was decided for the participants to include interviews with the CEOs, rather than the management team or employees. The aim was to speak with 10 different participants, the final resulting in 9 participants (see Figure 2).

Visual of Research Participants

Participants	Storesize
1	Kvantum
2	Kvantum
3	Supermarket
4	Supermarket
5	Kvantum
6	Maxi
7	Maxi
8	Maxi
9	Kvantum

Figure 2, made by Authors

To get a more aggregate and diversified array of results, the scope included different sized stores from various places within Sweden. The participants were contacted in Swedish via email (see Appendix Extract 1 and Extract 2), and their contact information was found on their store websites or given to the authors by other participants. However, of the participants that were contacted, not everyone answered or accepted.

4.2.2 Construction of Interview Questions

Before the construction of the interview sessions, a review of the literature was conducted to ensure that the research topic had not yet been covered, as well as to discover potential inquiries not yet

thought of. After this, a first draft of questions was conducted. It is important to note certain decisions made regarding the selected research questions.

First of all, the aim has been to explore the topic, rather than conduct descriptive or explanatory studies (Saunders et al., 2019), thus semi-structured interviews were decided to be held, meaning that the initially prepared questions were not the only ones asked. This allowed for a greater unearthing of topics during the interviews, as well as for the participants to speak more freely. This is of relevance as the study observes sense-making.

Secondly, since the interviews were conducted in Swedish, the questions posed were also in Swedish. This was to enable similar interview conditions for every participant, and in order to avoid repeated translations of questions, as well as a potentially negative impact on sense-making.

Thirdly, the questions were constructed to gain insight into the decision-making of EB, both in normal states, and during crisis states. To include all aspects, questions regarding potential ideas or plans to change the EB were included. One question included the impact of AI on decision-making regarding EB. The participants showed interest in this solution, though proved not to have integrated such tools yet. Thus, the questions proved unuseful to pose an answer to the proposed research question of this study, and has thus been excluded from the empirics section and analysis section.

Questions were narrowed down after brainstorming and subsequently reviewed by peers and the supervisor. Changes and clarifications were made to the questions in accordance with received feedback, resulting in the final ones that were used in the interviews (see Appendix extracts 3 and 4).

4.2.3 Conduction of the Interviews

The interviews were conducted mainly over video calls. However, one was held over a phone call due to the participant's preferences and schedule. Two interviews were held in person at the office at the participant's store. The interviews followed a semi-structured approach (Saunders et al., 2019), enabling a larger flexibility both for the researchers and participants not to be restricted by the prepared questions. This allowed for more data to be collected regarding DMs' sense-making.

All interviews were recorded after receiving consent from the participants and transcribed by the authors without changing grammatical errors or similar. This was done as the interviews were conducted in Swedish and the authors experienced difficulties in finding transcription tools suited for Swedish, but also for the authors to familiarize themselves with the empirical data as much as possible.

After 7 interviews were held, the authors noticed clear trends in their data and that the utility of more interviews would be marginal. Still, to further saturate the study and strengthen the empirical evidence and its trends, two more interviews were held.

4.2.4 Data Analysis

For the analysis of the data collected, this study follows an inductive method to first capture data, and then analyze it with the aid of suitable theoretical frameworks (Saunders et al., 2019). It would be ineffective to choose a theoretical framework prior to arriving at some type of result, as the authors are studying sense-making. After collecting the data, the authors thematically coded the information through a grounded inductive analysis method, resulting in a long list of first-order constructs. From

this, 13 second-order constructs have been included in this study, though there are more that were seen as less relevant. This then evolved into three third-order constructs, which the results section of this paper has been structured accordingly (see Figure 3).

Constructs from Empirical Study Arrived to Through Grounded Inductive Analysis Method

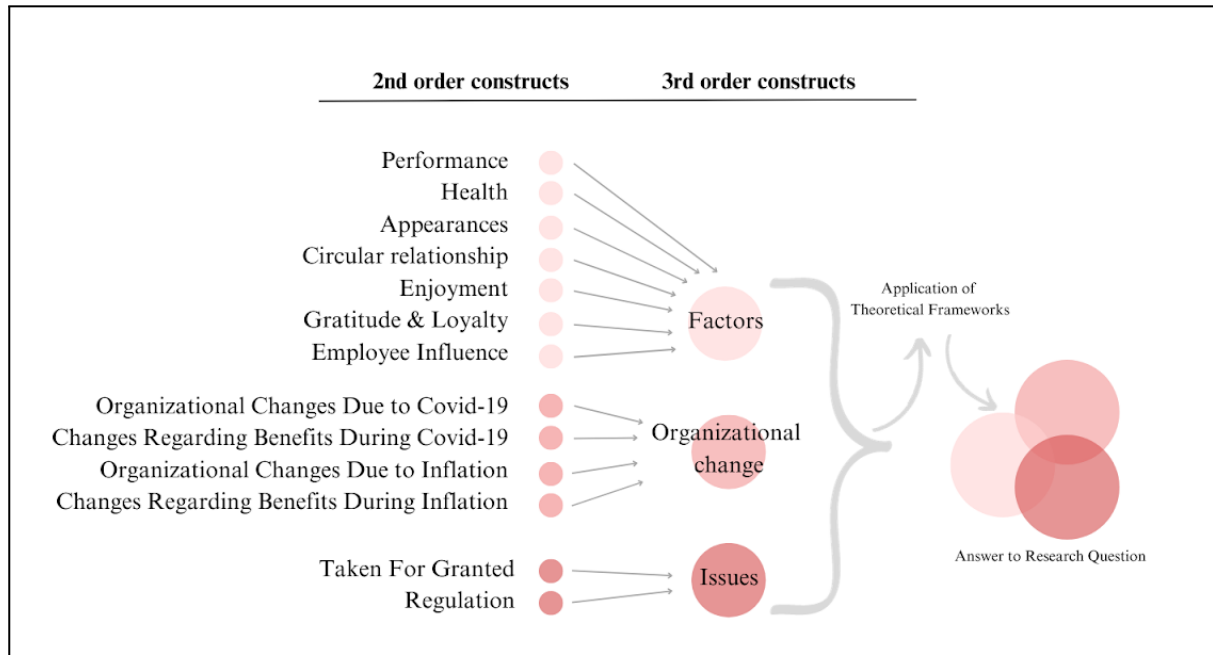


Figure 3, Made by Authors

The analysis and coding had to be done in Swedish to not lose the meaning of certain points, with the authors translating chosen quotes afterwards. The result section and analysis section are provided in English in this paper.

4.2.5 Usage of AI

This paper has implemented AI through using ChatGPT for brainstorming ideas and inspiring choices of potential theoretical frameworks and relevant authors. It has also been used for translation of texts, such as transcripts and quotes from these, as well as for rewording and improving text. Upon receiving information regarding relevant ideas from ChatGPT, suggestions were further researched to ensure their credibility.

4.3 Discussion of Methodology

This study was conducted to the best of the authors' ability to maintain quality. Two additional participants were included, even though data was somewhat saturated, to increase rigor, and the interviews were conducted in a professional and structured manner. One limitation of this study could be that due to using an inductive method, some additional data collection opportunities were lost. This would have been different had an abductive method been used to arrive at a result and theoretical framework simultaneously (Saunders et al., 2019). Another limitation can be the inability to find an equivalent translation of certain words from Swedish to English for the text of this study, which may impact the sense-making and understanding of the reader.

A third limitation is that the differing sizes of the ICA stores may indicate contrasting conditions, both in how largely they were impacted by Covid-19 and the inflation, as well as their ability to engage in EBs. Thus, stores are able to locate different amounts of energy and resources on EBs. A fourth limitation may be the inability to conduct all interviews in person, which may impact the quality of the answers. Additionally, one computer had issues with recording, which impacted one interview. Upon realization of this, the authors recorded it again and took even more extensive notes to compensate. Following this, all sessions were recorded on the other author's computer as a safety measure. A fifth limitation is that no ICA Nära stores were included in this study. This was not planned, but a result based on who decided to participate, and can consequently lead to a loss of potential data.

4.4 Ethics

The participants mostly did not have any previous knowledge of other participants' benefits, and this study does not aim to compare benefits, nor take a critical stance in the decision-making. Rather, it seeks to explore and understand the logic and sense-making behind it.

There is credibility and authenticity (Saunders et al., 2019) to this study as it has considered multiple participants and their sense-making giving a holistic picture with many viewpoints. This aligns with the interpretivist paradigm, which this study follows. Many points were cross-validated through participants, independent from each other, bringing up similar ideas and opinions. This study's authors note that their sense-making may have affected which points were prioritized. The study is transferable (Saunders et al., 2019), due to a descriptive methodology and interview questions being provided. It is likely to apply to other brands within the food retail industry, though a study would need to be conducted to state this with certainty. The nature of the industry during the crises, such as being less volatile than others, may impact the transferability to other industries.

Considering the dependability and confirmability (Saunders et al., 2019) of the study, its quality was improved through both researchers attending all but three interviews together, and transcribing the interview the other researcher held to familiarize themselves with the data. There was also a cross-analysis conducted of all the data, in which the authors reviewed the conclusions made by the other. There is more data than presented in this study, however, the prioritization selection is dependent on the researcher's sense-making, addressing reflexivity. This also applies to the analysis, in which the researchers' identities and basic assumptions may guide conclusions made. Though one researcher has previous connections to ICA (as previously stated), having the other researcher neutral, canceled out biased opinions. Due to the decision to follow an inductive research method, the results provided are free from orientation and biases originating from the selected theories. Potential changes made during the study have been recorded, proving rigor.

5. Empirical Material

5.1 Factors When Deciding Benefits

5.1.1 Performance

Firstly, it was noticed that P1 and P5- P9 had performance-based EBs, some being distributed equally to all employees, while other DMs factored in position and contribution as well. It was expressed to be seen as a way to motivate and stimulate employees to solve certain operational issues that might appear, such as bottlenecks or sudden sick-leave. It was also mentioned that these EBs aim to work in a fair manner, where employees earn more the better and longer they work. On the other hand, P7 expressed the belief that economic compensation will not generate higher performance.

“ [...] we have a bonus that is performance-based on areas of responsibility. If we do a good job in the store, the bonus will be higher,[...]” - P5

“And that is the criterion in this week's cashier, which is that you can quickly and efficiently handle as many customers as possible without the quality getting worse [...]” - P1

5.1.2 Health

Secondly, all of the DMs pointed out the importance of promoting good health and diet, through for instance providing benefits such as breakfast, massage, or a health grant (“friskvårdsbidrag”). This can represent a payment contribution to, for instance, a gym membership or similar. Overall, the participants want their workers to have strong bodies since they are doing physically challenging work. Some of this was stated to be related to performance, since the healthier the staff is, the less sick and hurt they are. It was expressed to be an investment in the workforce since the stores are largely staff-dependent.

“And you need to exercise if you want to be able to work until you retire. [...] So that much is about creating the conditions for people to be able to feel good privately and at work.” - P9

5.1.3 Appearances

Thirdly, among the participants P1 and P3-P5, it was stated multiple times that the appearance of the store was of high importance, and by providing employees with benefits this could be promoted. It was stated to be a “free” marketing tool investment to provide benefits which makes it attractive for the staff to buy products in the store they work in and not at competitor brands. This would send bad signals to customers.

“Yes, but the fact that the staff shop in the store sends a good signal to the customer, that even those who sell the goods buy the goods.” “[...] we see that benefit [employee discount] not only as giving them a benefit but also as a marketing thing.” - P4

5.1.4 Circular Relationship

Even though some initial types of benefits differed, the mindset remained the same. It is seen as a circular relationship in the sense that when the employees feel better and more motivated, they work

better, which in turn positively reflects on the company and improves the company's relationship with their customers as well as financial performance. P3-P6 and P9 express it to be strategic for the reason of improving performance due to this circular relationship, as it is a mutually beneficial exchange. Again, it is seen as an investment in their workforce by not having a high staff turnover and having to put resources into training new staff.

"But we have a profit-run business and it's clear that if you spend X amount of money and resources on benefits, you also want to be able to get something back in some way." - P5

5.1.5 Enjoyment

It also goes back to the simplicity of being a joyful workplace. Creating a sense of belonging for the employees, and a relaxed and fun environment, contributes to their well-being and happiness. All except P1 and P2 stated making their employees feel good in the workplace and with each other to be the primary reason for having EBs.

"Since we work so closely and our work impacts each other, we see great advantages in having understanding and compassion for your colleagues [...]."- P5

"So we try to find, but it's more about finding good places that are fun. I'm happy to pay if it's good and there's something extra, but to pay just because it's a hotel, we do not do that." - P3

5.1.6 Gratitude and Loyalty

On the notion of EBs, the P4-P8 thought that they were experienced positively by employees, and have expressed genuine gratitude for them. It was also stated to be correlated with loyalty from the employees, to them as employers, the store, and the ICA brand. It is seen as proactive work done to establish a good relationship with the employees and earn their loyalty, as well as make ICA a more attractive workplace. Especially in harder times, such as Covid-19 and now the inflation, it was said that the EBs are appreciated even more.

"It all goes back to wanting to be a good workplace and like where the people like to work, but maybe working in an ICA store might not be like the flashiest job." - P6

5.1.7 Employee Influence

Furthermore, on an aggregate, the DM mainly implements benefits that the staff are in favor of, and see a use for, whether it be for pleasure or for fulfilling a need. Thus, it was by P2-P5, P7 and P8 expressed to be of high importance to consider the opinion of the staff when arranging their benefits. In that sense, the employees are seen to be part of a feedback loop, in which DMs have to listen to the employees. Moreover, opinions are subjective and thus the opinion of staff might not be unanimous, which DMs also have to take into account when deciding on EBs.

"They have a small training grant and some people think it is good. Some people think massage is important. Some think that perks like breakfast are the most important. So it's a little different depending on what you think and prefer." - P2

5.2 Organizational Changes Due to Crisis and its Effect on Employee Benefits

5.2.1. Organizational Change due to Covid-19

The emergence of Covid-19 changed the overall operation of the stores. P1, P3, P5, P6 and P8 noted how the respective stores benefited from the pandemic as the sale pressure increased. They explained that Covid-19 changed consumer behavior by preferring to shop at grocery stores instead of eating out in restaurants, but also as all necessities were under one roof. The need for in-store employees arose in conjunction to meet the high demand.

“We were, after all, one of the stores that had a tremendous increase in sales” - P1

“We were an industry that in some strange way involuntarily profited from the pandemic [...] it was the only consumption that was in any way running” - P8

However, it was noted from several participants that the main challenge during Covid-19 was the daily operations. P1, P5, P8 and P9 explained how the pandemic caused unexpected employee absences as the restriction demanded employees to stay home for slightest symptom. It created difficulties in managing the intense customer demand as well as leading to increased workload for the employees who worked, in order to fill the absence gap.

“We were much more alert when it comes to sickness” - P5

“Suddenly, perhaps 50% were sick, and how do you deal with that pressure” - P8

Furthermore, these unexpected changes caused by Covid-19 impacted the well-being among employees. P4, P7 and P8 discussed how the increased workload caused loads of stress among employees as they had to work extra hard. In addition, P5 and P9 mentioned how the pandemic created loneliness and anxiety, as the governmental restrictions resulted in reduction of the social aspect. It imposed some challenges regarding upholding the community and sense of belonging.

“There was a certain amount of stress [...] it's probably, in some way, what we need to rehabilitate now” - P4

“Things that you do to create community and things like that, it could not be done anymore” - P7

5.2.2 Changes Regarding Benefits During Covid-19

The impact of pandemic restricted the ability for all DMs to offer social benefits that had the main purpose of enjoyment and community. P8 discussed the tremendous risk of becoming exposed to Covid-19 had, since it could cause numerous sick-leave absences, thus removed all employee activities. P2 and P7 mentioned how the health benefits such as massages or chiropractors were also reduced which affected the health of the worker. However, all participants highlighted that these removals were not voluntary, but something that needed to be done based on the government restrictions and recommendations. Besides these changes, other benefits remained unchanged.

“We were not allowed to have any staff activities [...] a lot of these benefits that I talked about before that were suddenly gone” - P8

“We put a lot of thought into creating a community and joy and such, to increase well-being, but all of that disappeared” - P7

To manage these changes both in creating community and enjoyment as well as motivate employees during Covid-19, the method used between the participants differed. P5, P7 and P9 discussed how they were trying to find new solutions for the benefits that were removed. The solutions often implied finding new ways to create community and enjoyment such as smaller party gatherings, digital events, free lunch or acquiring a billiard table. Another common theme by the rest of the participants focused on giving out bonuses or more expensive gifts to express gratitude towards employees' hard work, which was possible due to the increase in profits.

“Instead of having a large gathering, for example at a Christmas party [...] we had several smaller Christmas tables in the staff room - P5

“We then pay out a bonus salary for everyone, as thanks to the fact that everyone had somehow had to work really hard” - P8

5.2.3 Organizational Change Due to Inflation

In contrast to Covid-19, All DMs mentioned the increase in economic challenges due to the current rapid inflation. Greater overall costs, and decreased purchases put increased pressures on operations. P8 mentioned how employees now receive undeserved criticism from customers as prices increase, affecting the employees' work environment and well-being. On the other hand, P1 and P4-P6 brought up that in general this industry performs well during recession which causes the mindset of DMs that eventually the economy will recover.

“We are in a recession so we sell fewer goods than we did before the recession” - P1

“Now it is the inflation we are facing that affects us all to the highest degree [...] But we think that economies always go in cycles, it will come after a time after” - P4

5.2.4 Changes Regarding Benefits in Inflation

During Covid-19, the stores managed to get high income that enabled all DMs to later reintroduce the majority of the removed EBs even if the cost increased due to inflation. There existed an overall mindset of being in favor of EBs even when the economy became strained, presenting a trade-off between cost of benefits and the general operating costs. All DMs tend to prioritize EBs during the ongoing inflation and find alternative solutions to reduce other costs. They argued that different pressures such as employees' own economy, customer critiques and increased workload as well as overall well-being could be jeopardized even more if EBs were reduced as well.

“[...]Hell, it is just a matter of erasing the food waste for a week and you have the investment [...]Benefits should not be touched, because then it will all be crap” - P4

“We would not want to simultaneously remove benefits that contribute to well-being at the same time” - P7

In regards to performance benefits, P5 and P6 found an indirect correlation between changes in organizational profitability and return of performance bonuses. In times of inflation where profitability is threatened, it could give less space for financial benefits as the overall profit decreases. In turn, it would affect the return to employees.

“You are a little more one with the company, if the company goes well, you get a certain amount of profit sharing, and if it goes bad, the profit sharing is a little lower.” - P6

5.3 Issues with Employee Benefits

5.3.1 Risks of Taken For Granted

It has been mentioned by P5 that EBs have been one of the reasons why the store has performed well during different crises. When the situation becomes critical and there is a need for quick changes, EBs could ease this process among employees since they could be more open to changes. However, it requires employees to notice the benefits offered. A majority of the participants indicated an issue regarding benefits being partly unclear and forgotten, as well as hard to measure. Some of the benefits are common in this industry, reducing the impact the specific benefit might have, and others simply lose their shine after a while.

“[...] And in the end it will not be appreciated as much anymore, but then they have already calculated it from the beginning. That is the difficult thing with all benefits” - P8

5.3.2 Managing Employee Benefits with Regulation

When implementing benefits there are some regulations regarding benefit tax that need to be considered before implementing them. P6 and P9 noted that these regulations make the process of implementing new benefits more difficult. It inhibits the ability to implement certain new benefits, even if there is a great desire to do more for the employees.

“You can always give benefits, but the question is whether it is taxable or not. And if a benefit becomes taxable for an employee, it is not quite so certain that they appreciate it, [...].” - P9

6. Analysis and Discussion

6.1 Analysis: Rational Decision-Making from a Sense-Making Perspective

The natural progression of this analysis follows the structure of the RDM model (Uzonwanne, 2016), with insights from the sense-making model (Weick, 1995). The analysis is cumulative, meaning that as it progresses, it uses conclusions and ideas derived from previous parts. This way, more developed conclusions can be discovered.

6.1.1 Problem Recognition and Definition

In the emergence of Covid-19, all DMs noted a rapid increase in revenue as the demand for grocery products among consumers became greater. At the same time, they acknowledge an emergent problem regarding the shortage of employees in-store, which hindered operations from meeting the unexpected higher demand. This recognition of the problem could be explained by DMs being interrupted in their ongoing sense-making process (Weick, 1995). As the pandemic was a rare and unforeseeable event filled with uncertainty and negative emotions such as anxiety, loneliness (P5&P9) and stress (P4,P7&P8), DMs noticed the changes surrounding them both on the individual level and organizational level, indicating something had changed. According to Weick (1995), this signal of change is the initial part where DMs try to make sense of the situation, or in other words, define the problem that has emerged in order to solve it (Uzonwanne, 2016), which is dependent on what information they take into account. As Weick (1995) describes it, this information comes from the cues extracted by the DMs for defining the problem (the initial extraction of cues). The susceptibility to these cues is based on previous experiences influenced by individual biases and social environment.

6.1.1.1 Two Differing Identities

Based on the resulting empirics, this study found a trend in the participants tending to express themselves in accordance with two different individual employee management attitudes. The first mindset is based on DMs (P1,P6,P8&P9), utilizing benefits as a tool for organizational success by improving areas such as performance, health, and appearances. The second attitude of the remaining DMs uses benefits to provide a joyful workplace for the employees and create a sense of community, as well as to be a good employer. These two different mindsets are based on how DMs view their role in the organization and how they want to be perceived by others. Weick (1995) explains these individual biases as different identities that shape how DMs react and understand a problem, Covid-19 fulfilling that role in this case. However, it was noticed that P5 and P7 had tendencies of both these mindsets which could be explained as “shifting between identities” to balance the ideal self and external demands (Weick, 1995). This indicates that the underlying values and assumptions regarding employees may be different depending on the store and the owner. From this and the interviews conducted, the conclusion can be drawn that even though the overall performance of the store is the most important, the mindset on how to achieve it differs, whether it is by motivating the employees to perform or if it is through providing them with enjoyment.

6.1.1.2 Social Context

DMs also discussed the employee influence on their decisions. P2-P5, P7 and P8 noted how their strategy in employee management is dependent on what is preferred among employees. Implementing benefits, which is a cost for the company, relies on employees utilizing these benefits. Otherwise, EBs only generate costs and no value. How DMs then tend to make decisions is based on the interaction with employees through communication by exchanging information and creating a shared

understanding (Weick, 1995). However, as opinions among employees are subjective, what is taken into account when defining a problem depends on employees within their specific store i.e DMs own organizational culture. As these differ between each store, the understanding between DMs differs and leads to different outcomes of decisions. Looking at it from the perspective of the Covid-19 crisis, DMs recognize the governmental restrictions whose purpose was to manage the great uncertainty and lack of security, leading to a change in individual behavior and social norms which completely altered the social context for each store. Whether this be based on conversations held at the dinner table at home, what the employees discuss in their lunch break, or what is expressed on TV, DMs will receive information and co-construct their understanding of the situation (Weick, 1995).

6.1.1.3 Uncertainty

All in all, by using these biases and earlier experiences retrospectively (Weick, 1995), All DMs recognized that one of the main problems was employee management, which is the root of continued operation in these stores. Even though DMs had earlier experience dealing with previous recessions (P1, P4-P6), the pandemic created a new unfamiliar situation regarding how to manage employees. The change in social context in terms of employees and consumers and the government-imposed restrictions inhibited the ability to actualize benefits that create a joyful community and workplace, such as conferences, internal parties, and celebrations. There was a realization of the existence of a problem but no known indication on how to best approach or solve it. As P1, P5, P8 & P9 expressed the difficulty of understanding and nearing the situation in the right way.

6.1.2 Potential Solution Scenarios and Gap Analysis

When discovering potential solutions for managing employees (Uzonwanne, 2016), DMs tended to lean on previous knowledge and individual biases gained from being in a strong and established industry, as well as having managed times of economic recessions before. Considering ICA's satisfactory economic performance during the pandemic, this can be used as a basis of evidence (P1,P3,P5,P6&P8). This is an example of how DMs create an understanding based on previous experience forming solution scenarios (Weick, 1995), which did aid the DMs when approaching Covid-19 along with the inflation. However, the pandemic caused unfamiliar behavioral patterns and living norms, which limited DMs ability to form solution scenarios and navigate the crisis. Many of the previous experiences were rendered useless within the context of the pandemic, as they either did not comply with restrictions or were socially sensitive. Based on the result, P5, P7 and P9 tended to further explore employee management and EBs role in this crisis, while other DMs focused on keeping operations ongoing. It was noted the impact tax regulation has on benefits, especially when restraining the implementation of certain benefits that were brought up during the interviews. It has been seen that these make employee management complex as some benefits are taxable while others are not. P6 and P9 noted how they would rather decline new solutions as they tended to be more complex than simply continuing in the same manner. Such restrictions could inhibit individuals from finding new meanings of EBs, creating a wall between exploring them and exploiting them. This attitude and priorities are based on the individual identity as well as the social context DM has (Weick, 1995), forming steps needed to take to reach a successful solution (Uzonwanne, 2016).

6.1.3 Information Gathering

However, gathering information to support a decision for resolving problems is tied to the types of cues DMs extracted from Covid-19 and from previous experiences. From the result, P5, P7 and P9 tended to see that the absence of the social and community aspect of operation had a larger impact on employees and their performance, while the other DMs tended to be content with the idea that the

pandemic imposed difficulties that they did not have control over, focusing on meeting customer demand and other operational difficulties such as which employees will be rewarded for their performance. Weick (1995) explains this process as plausibility, where individuals cease to seek understanding when they think they have plausible explanation of the crisis.

6.1.4 Selecting Solution

The two different solutions noted in the result for managing employees during Covid-19 back to DMs own social context and attitudes. When selecting a solution, the higher context needs to be considered since a potential solution, such as changing EBs, could have a detrimental impact on people in the environment of the DMs. P2-P5, P7 and P8 state how this is important to consider since EBs make the workplace more attractive and provide positive return such as reducing employee turnover. P5, P7 and P9 implemented new benefits to temporarily replace the reduced ones, such as creating events that enabled smaller gatherings, ensuring contentment and well-being among employees. The other solution selected by the other DMs was to offer a bonus for all employees for their hard work. This provides information about EBs value and their role in resolving issues, such as employee sick leave. This ties back to the social relationship with employees mentioned by P3-P6 and P9: when they give something, they often get something back in return. It is an example of how previous knowledge and attitudes toward employee management, guide DMs in problem-solving in uncertain situations such as Covid-19. As all DMs use EBs to resolve difficulties regarding employee management, a new enactment regarding EB portfolio has been created where all DMs rediscovered its importance as a tool during crises (Weick, 1995). This new enactment will then be taken into account for the future. An example of this is when the pandemic eased, all DMs reinstated the reduced benefits, which could be explained by the changes in recommendations and social norms (Weick, 1995). However, in conjunction, Ukraine and the Russian war began which speed up the rapid inflation. Leading to different difficulties regarding the financial situation.

6.1.5 Implementation and Evaluation

Both of the mentioned crises can be seen as interruptions to the DMs sense-making, contributing to a change in general focus, as well as their approach to EBs later on. Comparing the interruption of inflation and the one of Covid-19, the pandemic had a much larger effect, due to the previous lack of information and personal experience regarding this. Contrastingly, as recession and inflation have been continuously ongoing during and before the pandemic, the unexpected Ukraine-Russian war exacerbated the inflation, which can also be seen as an interruption (Weick, 1995). DMs have to reevaluate the situation based on the new experience received by the pandemic, which changes how DMs perceive operational difficulties due to recession and inflation. Evidence of this can be found in how DMs reflected on EBs being of major importance, where all preferred to reduce other costs than EBs themselves. Thus, it has been found that the enactment created by Covid-19 around EBs influences how DMs perceive them in the current inflation crisis. Weick (1995) explains this as an ongoing flow that never ends and never starts.

6.2 Answer to Research Question

This study has the proposed research question “How is decision making regarding EBs impacted in times of crisis?”. The one-sentence answer to this research question is that crises change DMs' sense-making processes and mindsets about EBs, elevating their importance and influencing subsequent decision-making strategies.

Developing a more detailed answer, the analysis arrives at the final decision of DMs either replacing the removed benefits with either new community-boosting EBs or giving out monetary bonuses at the end of the pandemic. There exists a difference in DMs discovering and interpreting the overall crises of Covid-19 and inflation, which is grounded in different factors such as which identity, previous experience, and cues they extracted, but also organizational culture.

Lastly, decisions on previous crises affect how DMs view other crises afterwards. The recognition of the lost EBs and information gathered regarding them created a new enactment (see Figure 4). During Covid-19, DMs rediscovered the importance of benefits and thus decided to reintroduce them when the crises ended. The most important finding was the result of the DMs' sense-making during the pandemic greatly influenced the reason as to why they are reluctant to reduce benefits during the current inflation, even though there are greater economic costs. This leads to a spillover effect in the sense-making from one crisis to the other, creating a loop that will continue to affect future decisions regarding benefits.

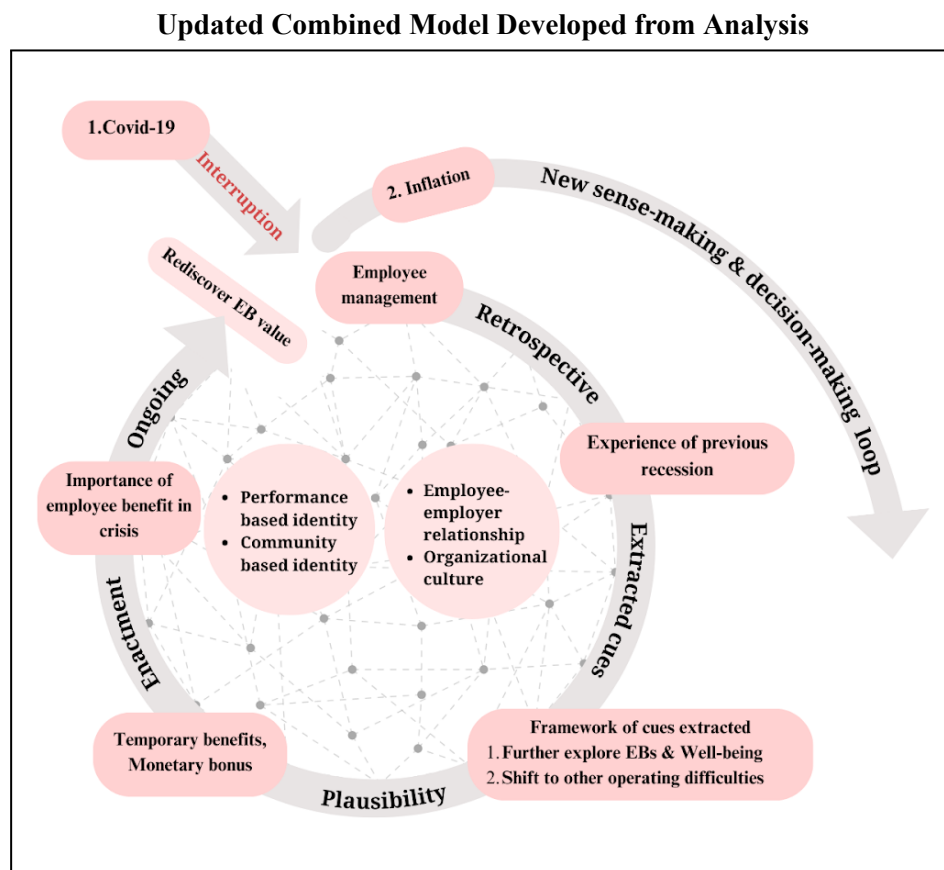


Figure 4, Made by Authors, Inspired by Uzonwanne (2016) and Weick (1988)

6.3 Discussion

6.3.1 Employee Benefits and Decision-Making

There have been multiple studies conducted on EBs, their usefulness and which ones are preferred by employees (Beam et al, 2001). The trend is possible due the focal point having been on employees, rather than the underlying strategic and complex decision-making behind it (Beam et al, 2001; Ko et

al, 2014; Gabriel et al, 2022). Thus, the centrality of the decision-making and DMs role in maximizing utility for the organization (Simon, 1960) has been overshadowed.

This study contributes to the conversation on decision-making regarding EBs, and how such choices are impacted partly by their social context, i.e. employees, but also by the external environment and the pressures accompanying it. Moreover, it was noticed that the presence of different identities among DMs influences which kinds of EBs are provided to employees, further developing the understanding of the ambiguity EBs are subjected to.

6.3.2 Employee Benefits and Crises

The main purpose of EBs have been to provide a reward system in which rewards can be seen as a social exchange (Emerson, 1976; Cook et al., 2014) for harder work and more motivated employees (Armstrong, 2007). It has been of interest for DMs to have EBs to strategically attract and attain personnel, and increase their competitiveness in the labor market (Beam et al, 2001). However, the focus has been on one-off decisions, rather than considering EBs as an evolving process (Reddick et al, 2008). Only few studies have covered how a value change in EBs may affect the employee-employer relationship (Beam et al, 2001).

Adopting the focus of crises, especially ones with such large and different impacts as Covid-19, this study addresses the fluency of EBs, and proves them to not be stagnant, one-time decisions, that then exist forever, but to be an ever-changing continuous process. Even though the exchange relationship remains between employee and employer, this study shines light upon DMs rediscovered value of EBs on the operation and employee well-being, as well as what this has implied for the changes in decision-making within the ICA brand.

6.3.3 Decision-Making and Sense-Making

Boland (2008) discovered how sense-making and decision-making interplay when the need to understand and create satisfactory decisions during uncertain and fast-changing situations, such as Covid-19. As seen in this study, an interplay has been recognized when analyzing DMs decisions regarding EBs. This interplay creates a larger understanding of how decisions are being made and why it differs between DMs, even though they exist in the same industry and brand when exposed to the same crisis.

Later research tends to focus on how DMs could be trained to use sense-making skills in their decision-making for complex dilemmas (Awati et al, 2022). This study deviates from these, as this research discovers that sense-making and decision-making already exist in practice and how extremely uncertain situations such as Covid-19 could create new meanings among DMs, which affect later decisions when problems occur.

7. Conclusion

7.1 Conclusion

Crises such as Covid-19 and rapid inflation have affected the food retail industry in Sweden during later years, both in operational and economic aspects. Even though DMs had earlier experience of dealing with previous recessions, the pandemic created a new unfamiliar and ambiguous situation where DMs encountered problems in operation, such as high customer demand, as well as shortage of

and reduction in well-being in employees. While extensive research on the employee-employer relationship and EBs contribution to positively enhance this relationship from employee perspective (Ko et al, 2014; Gabriel et al, 2022), less attention has been given to how DMs understand and create decisions regarding these when entered into highly dubious situations, when the only information available are previous experiences.

This study fills this gap by exploring ICA store owners' decision-making regarding EBs is impacted in times of crisis by combining sense-making (Weick, 1995) and a decision-making model (Uzonwanne, 2016). One finding of this study is that when exposed to highly uncertain situations such as Covid-19, decisions made regarding EBs are influenced by DMs own identity, the social context and previous experiences, therefore decisions deviate between participants. However, the main finding is the understanding of EBs during the pandemic affected how DMs perceive the importance of EBs during inflation, leading to new insights into decision-making during crises.

7.2 Contributions

The contributions from this study is a combined analysis of sense-making and decision-making regarding EBs, and how they change during crises. It has been discussed how crises have impacted the processes differently, and also have a cumulative impact. New insights provided into how ICA owners think and act, as well as highlighting that though rewards are no longer a popular topic to study, it still is of great importance to practitioners especially when exposed to highly uncertain situations. Additionally, this study helps provide a slightly narrower gap in the newly discovered research field of the crossroad of sense-making and decision-making (Boland, 2008; Helms Mills et al, 2010).

7.3 Limitations and Future Research

For starters, this study is brand-specific, thus though the general conclusion can be drawn of similarities in the food retail industry, it has not yet been confirmed. In addition, as the stores vary in location and size, the impact of Covid-19 could vary and affect their decisions regarding EBs differently which has been excluded in this study. Additionally, the research has been conducted on an industry with a relatively non-volatile market, making it compelling to look at other industries where physical work is present. This study focuses on DMs, however, it lacks the perspective of employees, leading to a biased view on the impact of the changes in EBs, however, this could be interesting to examine in another study.

For future research, this study's authors suggest an expansion of different industries considered, where there also is the possibility to explore the differences between industries. Furthermore, they suggest an increase in studies conducted connecting sense-making and decision-making together, to further minimize the gap. Additionally, it would be of interest to add the employee perspective on the changes of EBs during crises.

8. References

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Appendix

Extract 1: Swedish email to participants

Hej [namn]!

Jag skriver just nu min kandidatuppsats tillsammans med min partner Tara Dittrich under denna höst. Vi har funnit ett intresse kring de externa kriser som uppstått (Covid-19 & inflationen etc) och hur det påverkat just food retail industry (ICA). Det har varit ett hett ämne de senaste åren då mat alltid behövs (primärt behov) vilket påverkar majoriteten av befolkningen negativt ekonomiskt.

Vi har funnit en intressepunkt kring "*hur **beslutsfattandet** ser ut för dess anställdas förmåner under olika krisperioder ex. Covid-19 och inflationen*" för att både hålla operationen igång samtidigt som att motivera anställda som kan ha det tufft privat. Vi vill då fokusera mer på de förmåner som inte regleras av lagar utan de som företaget själv väljer. Detta är något som inte diskuteras så mycket i studier då samtalen oftast går till "remote work och digitalization", men det är inte alla företag som har möjlighet till denna typ av "förmån". Vi vill därmed undersöka hur det ser ut för företags beslutsfattande kring personalförmåner under krisperioder.

Vi undrar då om du skulle vilja delta i denna studie, där jag tillsammans med Tara vill utföra en intervju på ca 45 min om hur du som beslutfattare tänker kring anställdas förmåner under krisperioder för att öka vår förståelse kring detta ämne. Här kommer några frågor som kommer ställas:

1. Hur har du/ni tänkt generellt kring anställdas förmåner, dvs vad för grund har ni till just de förmåner ni haft/har?
 - a. Vad anser du är viktiga faktorer att titta på när ni fattar beslut kring personalförmåner?

Beslutsfattande under Covid-19:

2. Hur har covid-19 påverkat era beslut kring förmåner?

Beslutsfattande under inflationen:

3. Hur har inflationen (Ukraina/ryssland kriget) påverkat era beslut kring förmåner?

Påverkan

4. Hur tror ni era förmåner påverkar era anställda?

Förberedande diskussion kring om förmåner inför framtida händelser.

5. Hur ser era framtidsutsikter ut angående personalförmåner?

Hälsningar,

Astrid Ståhle & Tara Dittrich

Extract 2: English translation of email to participants.

Hello [name]!

I am currently working on my bachelor's thesis together with my partner, Tara Dittrich, this fall. We have developed an interest in external crises that have occurred (such as Covid-19 and inflation) and how they have affected the food retail industry, specifically ICA. This has been a hot topic in recent years as food is always a necessity (a primary need), which negatively impacts the majority of the population economically.

We have identified a focus on "*how **decision-making** regarding employee benefits looks during different crisis periods, e.g., Covid-19 and inflation,*" aiming to keep operations running while motivating employees who may be facing challenges personally. We want to concentrate more on benefits not regulated by laws but those chosen by the company itself. This is an aspect that is not often discussed in studies, as conversations typically revolve around "remote work and digitalization," but not all companies have the capability to offer such benefits. Therefore, we want to investigate decision-making within companies regarding employee benefits during crisis periods.

We are wondering if you would like to participate in this study, where Tara and I would like to conduct a 45-minute interview to understand your thoughts as a decision-maker regarding employee benefits during crisis periods. Here are some questions that will be asked:

1. How have you/your team generally thought about employee benefits, i.e., what is the basis for the benefits you have/had?
 - a. What do you consider important factors when making decisions about employee benefits?

Decision-making during Covid-19:

2. How has Covid-19 affected your decisions regarding benefits?

Decision-making during inflation (Ukraine/Russia conflict):

3. How has inflation affected your decisions regarding benefits?

Impact

4. How do you think your benefits affect your employees?

Preparing discussion about benefits for future events.

5. What are your future prospects regarding employee benefits?

Best regards,

Astrid Ståhle & Tara Dittrich

Extract 3: interview questions in Swedish

1. Vad har ni just nu för förmåner för era anställda som inte är reglerade av lagar (som pension, sjukvård, försäkring osv)?
2. Hur har du tänkt kring anställdas förmåner, dvs vad för grund har ni till just de förmåner ni haft/har?
 - a. Vad anser du är viktiga faktorer att titta på när ni fattar beslut kring personalförmåner?
3. Hur har covid-19 påverkat era beslut kring förmåner?
4. Hur har den rådande inflationen påverkat era beslut kring förmåner?
5. Hur tror du era förmåner påverkar era anställda?
 - a. (vid förändring av förmåner) Ser ni någon skillnad efter förändringen av förmåner vs innan?
6. Hur ser era framtidsutsikter ut angående personalförmåner, dvs planen för framtiden?
7. Om en ny kris skulle uppstå, hur ser planen för personalförmåner ut då?
8. ICA storsatsning på AI, hur tror ni det kommer påverka beslutsfattandet och användningen av det för personalförmåner? (struken fråga)

Extract 4: interview questions English translation

1. What benefits do you currently have for your employees that are not regulated by law (such as pension, healthcare, insurance, etc.)?
2. How have you thought about employee benefits, i.e. what basis do you have for the particular benefits you had/have?
 - a. What do you think are important factors to look at when making decisions about employee benefits?
3. How has covid-19 affected your decisions regarding benefits?
4. How has the current inflation affected your decisions regarding benefits?
5. How do you think your benefits affect your employees?
 - a. (in case of a change of benefits) Do you see any difference after the change of benefits vs. before?
6. What do your future prospects look like regarding employee benefits, i.e. the plan for the future?
7. If another crisis were to arise, what would the employee benefits plan look like?
8. ICA's major investment in AI, how do you think it will affect decision-making and its use for employee benefits? (deleted question).