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**PRESERVING COMMITMENT DURING  
DOWNSIZING: EXAMINING THE  
MITIGATING EFFECTS OF TRUST AND  
EMPOWERMENT**

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### Abstract

Drawing on Lazarus and Folkman's (1984) stress theory, we hypothesize that the negative effects of downsizing on commitment can be mitigated when trust and empowerment are high. Comparing employees in a downsizing plant to those in a plant not exposed to downsizing, we found that empowerment fully mitigates the negative effect of downsizing. Though trust has a positive direct effect on commitment in both downsizing and non-downsizing contexts, it is not found to fully mitigate the negative effects of downsizing.

Key words: Downsizing, survivor responses, commitment, trust, empowerment

## Preserving Commitment during Downsizing:

### Examining the Mitigating Effects of Trust and Empowerment

Downsizing is a purposeful reduction in the size of an organization's workforce (Cameron, Freeman, & Mishra, 1991). Downsizing organizations require committed employees who can deal with task ambiguity and can take on the responsibilities of those who have departed. Yet, downsizing often decreases survivor commitment, especially when survivors identify closely with victims (Brockner, Grover, Reed, DeWitt, & O'Malley, 1987), perceive the downsizing as unfair, (Brockner, Tyler, & Cooper-Schneider, 1992; Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993) or do not receive clear managerial accounts (Brockner, DeWitt, Grover, & Reed, 1990). This stream of prior research by Brockner and colleagues has shown that some reduction in commitment can be mitigated when survivors believe that the downsizing is just or fair. This research has tended to examine commitment *within* a downsizing context but has not ascertained whether the magnitude of survivor commitment can be comparable to employees in a non-downsizing context. It may be that survivors who experience a downsizing as just or fair are more committed, but may still be substantially less committed than individuals who have not experienced a downsizing.

Building on the work of Brockner and colleagues, we examine whether survivors, under conditions of high trust in management and empowerment, can be as committed as employees who have not experienced a downsizing. By studying two comparable plants within a division of a Fortune 100 firm, we can offer insights about the role of trust and empowerment in achieving levels of survivor commitment that are comparable to employees in a non-downsizing context.

### Mitigating the Negative Effects of Downsizing on Commitment

Commitment reflects the psychological attachment of an employee to his or her organization (Mowday, Steers, & Porter, 1982). In this paper, we focus on the value dimension (Mayer &

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Schoorman, 1992) of attitudinal commitment (i.e., a willingness to exert considerable effort on behalf of the organization and a belief in and acceptance of its values). We chose not to focus on continuance commitment (i.e., desire to remain with the organization) because we wanted to build on previous research on survivor responses, which has tended to focus on this value dimension of commitment (Brockner et al., 1987; Brockner et al., 1990; Brockner et al., 1993). Research has shown that such commitment is an important predictor of individual well-being (Mathieu & Zajac, 1990). Yet, downsizing and its accompanying job insecurity may alter employee attitudes, especially those dealing with their relationship to the organization (Ashford, Lee, & Bobko, 1989). Commitment is often reduced because survivors experience downsizing as a violation of the psychological contract (Morrison & Robinson, 1997) or because their job security may be threatened (Greenhalgh & Rosenblatt, 1984).

Our research question focuses on whether the negative effects of downsizing on commitment may be mitigated to the point that survivor commitment following a downsizing may reach a level comparable to that of employees not in a downsizing context. We suggest that the amount of trust in management and empowerment survivors experience following a downsizing can mitigate some of downsizing's negative effects on commitment. That is, the more survivors have trust and empowerment following a downsizing, the less negative downsizing's effects on commitment. To help develop the logic for the moderating effects of trust and empowerment, we draw on Lazarus and Folkman's (1984) stress theory. Brockner and Wiesenfeld (1993) have suggested that the Lazarus and Folkman stress theory may be an important integrating framework for understanding variability in survivors' reactions to downsizing, and Mishra and Spreitzer (1998) have used this theory to develop a model of survivor responses to downsizing.

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In the Lazarus and Folkman model, an individual cognitively appraises his or her relationship with the stressor to determine the appropriate response. They specify two types of cognitive appraisal. Primary appraisal focuses on what is at stake for individuals, whether the situation may be harmful, threatening, or challenging. Secondary appraisal focuses on how individuals evaluate their own resources and capability for coping with the stressor. We are not explicitly testing the Lazarus and Folkman model but rather adapting their theory to provide the logic for our hypotheses. Our adaptation is illustrated in Figure 1.

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 Figure 1 about here  
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We suggest that trust and empowerment are resources that will shape the cognitive appraisal process during downsizing and thus, in turn, moderate the negative effects of downsizing on commitment. Trust reduces the degree of threat assessed with respect to the downsizing (primary appraisal), and empowerment enhances the sense that one can cope with the downsizing (secondary appraisal). To the extent that assessed threat is reduced and a sense of capability to cope is increased, we expect that the negative relationship between downsizing and commitment will be reduced. The specific logic for our hypotheses is provided below.

Trust in management. Trust is defined as a willingness to be vulnerable to others (Lewis & Weigert, 1985) based on the prior belief that they are trustworthy (Mayer, Davis, & Schoorman, 1995). Being vulnerable means that a significant potential for loss exists (Deutsch, 1973; Luhmann, 1979). Key dimensions of trustworthiness that have been documented in the literature include a concern for others' interests, competence, openness, and reliability (Mayer et al., 1995; Mishra, 1996). While scholars have differentiated dimensions of trust, they have typically argued that they

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combine to represent overall trust (Mayer et al., 1995). While articulating below the various ways in which the specific dimensions of trust influence primary appraisal, we argue it is the combined impact of these dimensions that influence commitment.

We suggest that trust in management is a resource that influences primary appraisal (Folkman, Lazarus, Gruen, & DeLongis, 1986) which in turn moderates the negative effect of downsizing on survivor commitment. In other words, downsizing will have a less negative effect on commitment when survivors appraise the situation as less threatening due to their trust in management. Trust in management reduces the assessment of threat inherent in a downsizing by helping survivors to understand and believe in management's intentions and expected behavior (Mishra & Spreitzer, 1998). When survivors believe management is concerned about the best interests of survivors, they will appraise the situation as less threatening because they do not see management as merely self-interested. When survivors believe that management is competent, they will also appraise the downsizing as less threatening because they view management as capable of enhancing the firm's competitive position. Survivors who believe that top management is reliable may also feel less threatened because they believe that top managers will keep their promises. Finally, survivors who believe that top management is honest about what is happening (O'Neill & Lenn, 1995) may feel less threatened because uncertainty is reduced.

Prior research is consistent with our hypothesis. Brockner, Siegel, Daly, Tyler, and Martin (1997) found that when perceived outcomes associated with authorities' decisions were relatively unfavorable, employees' trust in management was particularly important to commitment. The establishment of trust seems to be a potent force in overcoming otherwise adverse reactions that employees may exhibit in reaction to decisions yielding negative outcomes, as is the case with downsizing. Thus, we hypothesize that

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Hypothesis 1: Survivor trust will moderate the relationship between a downsizing context and commitment. The more survivors trust management, the more committed they will be in a downsizing context.

Survivor Empowerment. Empowerment is a personal sense of control in the workplace, manifested in four beliefs about the person-work environment relationship: meaning, competence, self-determination, and impact (Spreitzer, 1995; Thomas & Velthouse, 1990). While the literature specifies specific dimensions of empowerment, it is their combined effect that captures the personal control essence of empowerment. Personal control is essential to the secondary appraisal process (Folkman, 1984). The perceived control underlying empowerment is an important resource that influences individuals' appraisals that they can adequately cope with the situation (Brockner & Wiesenfeld, 1993). Greater personal control resources will reduce the negative effects of downsizing on commitment by increasing the sense that the individual can cope with the downsizing. Survivors may be uncertain about whether they possess the requisite resources and coping skills to deal with the demands posed by a downsizing. But a sense of empowerment can provide a buffer to moderate the helplessness-inducing effects of a downsizing. Factors that enhance a sense of control during and after a downsizing are likely to be important in mitigating the helplessness often experienced by survivors during downsizing (Brockner, 1988).

The four dimensions of empowerment help to explain why empowerment should enhance individuals' beliefs that they have the capability to cope with the downsizing. The greater the sense of meaning, the more survivors believe they can rely on their own sense of purpose and direction to cope with the ambiguity inherent in the downsizing. The more survivors feel competent to perform well in the changing environment, the more they see themselves as having the personal resources to cope with the changes in work associated with the downsizing. The more survivors believe that they

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have self-determination or job autonomy, the more they see themselves as having choices about or control over how to cope with the downsizing. Finally, the more survivors believe that they can have an impact on the downsizing implementation, the more likely they will believe they have the personal power to cope with outcomes associated with the downsizing. Prior research has found that increased personal control, specifically having input into decisions, can help survivors to react more positively to a difficult situation (Brockner, Heuer, Siegel, Wiesenfeld, Martin, Grover, Reed, & Bjorgvinsson, 1998). Thus,

Hypothesis 2: Survivor empowerment will moderate the relationship between a downsizing context and commitment. The more survivors are empowered, the more committed they will be in a downsizing context.

## Method

### Sample and Data Collection

We sought two sites comparable to one another before the downsizing announcement to ensure a valid comparison. Thus, two plants from one division of an aerospace organization headquartered in Southern California were selected to be surveyed. Because both were from the same unit of the same organization, the firms had comparable human resource management practices, products, and technology. Both sites were unionized, and neither had a history of poor labor relations. Both were located in the southwest but were not physically proximate. The two sites made similar electronics products.

The two sites also had comparable employee attitudes before the surveys were administered. T-tests of employee attitudes from an annual employee survey conducted by the company one month before our survey was administered indicated no significant differences between the two sites in terms of quality of work life (Non-downsizing site (NDS) = 47; Downsizing site (DS) =49,

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n.s.), satisfaction with working conditions (NDS=59, DS=67, n.s.), or overall satisfaction (NDS=46; DS=39, n.s.). Prior research has shown that satisfaction is more than moderately related to commitment (Mathieu and Zajac's (1990) meta-analysis results uncovered a weighted average correlation of .53), so it is likely that the two sites had similar levels of commitment prior to the downsizing. Ideally we would want to know that the two sites were not significantly different on trust, empowerment, and commitment prior to the downsizing (or even better have pre-downsizing data to control for any differences), but we were not able to collect this data. Nevertheless, the insignificant differences on employee attitudes noted above indicate that the climate of the two sites was comparable, suggesting that other variables such as trust, empowerment, and commitment were also likely to be comparable.

All employees were given the opportunity to complete the survey. At one site, a downsizing announcement was made one month before surveys were distributed. At this time, approximately 10% of the site's contract workers were laid off, and remaining employees were told that additional employees were going to be laid off within the next year. Contract workers worked at the firm for many years, often as part of teams composed of regular employees. Their work content was indistinguishable from that of regular employees. Discussions with employees at the downsizing plant indicated that non-contract employees felt as though they were "survivors" of the downsizing initiative. Some employees would be eligible for a transfer to another facility. At the time the survey was distributed, the specific non-contract employees who were to be laid off had not yet been identified. Thus, the employees who were surveyed were survivors of the first round of downsizing.

At the downsizing site, a total of 731 surveys were distributed through the company's internal mail system. All respondents were assured of confidentiality. Surveys were mailed back

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directly to the researchers using pre-addressed, postage-paid envelopes. A total of 350 surveys were returned for a response rate of about 48%. T-tests of sex ( $p < .79$ ) and years of service ( $p < .36$ ) suggests that the characteristics of those responding to the surveys were not significantly different from those who did not return the survey; however, respondents were slightly older (43 versus 41 years) than non-respondents. Educational background was asked only in the survey so response-nonresponse differences could not be assessed.

At the non-downsizing site, 1772 surveys were distributed using the site's internal mail system, prior to the downsizing announcement at the downsizing site, so that there would be no confounding if these employees heard about the downsizing at that site. The same assurances of confidentiality were provided, and an identical survey return method was used. Seven hundred and eighty-seven surveys were returned for a response rate of approximately 44%. The same comparison of the age ( $p < .15$ ), sex ( $p < .41$ ), and years of service ( $p < .52$ ) data between those who responded and those who failed to respond yielded no significant differences.

The demographic profiles of the two sites were significantly different from each other. T-tests indicate that employees at the non-downsizing site were slightly older (45 versus 42 years of age,  $p < .001$ ), had more tenure (14.5 versus 10.0 years,  $p < .001$ ), were more educated (3.83 versus 3.65,  $p < .001$ ), and were more likely to be male (80% versus 69%,  $p < .001$ ). Given these statistically significant differences, we control for these demographics in our analyses.

### Measures

All survey measures were assessed with 7-point Likert scales with anchors ranging from very strongly disagree to very strongly agree. We used Mishra and Mishra's (1994) 16-item measure of trust ( $\alpha = .97$ ). A sample item for each of the four dimensions include: "I believe that site management" "...tells the truth" (honesty); "...provides capable and competent leadership"

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(competence); “...does not try to get out of its commitments” (reliable), and “...would make personal sacrifices for our organization” (concern). Previous research has shown that the four dimensions can be aggregated into a single scale (Spreitzer & Mishra, in press). A second-order confirmatory factor analysis of the data in our study supports the aggregation of the four dimensions into a single construct (AGFI=.84, CFI=.94, NFI=.94).

We used Spreitzer’s (1995) 12-item measure of empowerment ( $\alpha = .85$ ). Sample items for each of the four dimensions include: “The work I do is very important to me” (meaning); “I am confident about my ability to do my job” (competence); “My impact on what happens in my department is large” (impact); “I have significant autonomy in determining how I do my job” (self-determination). Previous research has shown that the four dimensions can be aggregated into a single scale (Kraimer, Seibert, & Liden, 1999; Spreitzer, 1995). A second-order confirmatory factor analysis of the data in our study supports the aggregation of the four dimensions into a single construct (AGFI=.91, CFI=.95, NFI=.94).

We drew three items from Mayer and Schoorman’s (1992; 1998) 9-item measure of value commitment which is drawn from Mowday, Steers, and Porter’s (1979) OCQ: “I talk up my company as a great organization to work for”; “I am willing to put in effort beyond what is normally expected”; “My company really inspires the very best in me in the way of job performance”. Because our three-item measure was not previously validated, we assessed its convergent validity against the 9-item measure of value commitment. Using the dataset published by Mayer and Schoorman (1992; 1998) consisting of two waves of data from a financial services firm (288 respondents in the first wave, 220 in the second), we correlated our three-item measure with the nine-item measure. The resulting correlations of .93 for each wave of data indicates that

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little information is lost by using the abbreviated measure. Our three-item measure also achieved an acceptable reliability of .72.

To provide further evidence of the construct validity of the trust, empowerment, and commitment scales, a confirmatory factor analysis of all of the items was conducted (with commitment as a first order factor and with trust and empowerment as second order factors made up of their respective four dimensions). The results support their construct validity. All items loaded significantly on their specified factors. The relationships among the three constructs were moderate, and the constructs were clearly distinct from one another. The overall fit statistics also indicated an appropriate fit of the three factor model (AGFI=.84, CFI=.92, NFI=.90).

A dummy variable was created to indicate whether a respondent was employed at the downsizing site. Objective data on employees' education (a seven-category scale ranging from less than high school to doctoral degree) was collected from the survey. Length of service (years of employment at the organization), age, and sex were collected from archival sources. These were included as control variables in the analyses because significant differences were found between the two sites and because these demographic characteristics may have their own effects on commitment. For example, a study by Mayer and Schoorman (1998) found that level of education was negatively associated with commitment. Survivors with longer organization tenures may also have greater commitment to the firm (Dunham, Grube, & Castenada, 1994). Meta-analytic reviews also report positive relations between organizational tenure and commitment (Cohen, 1993; Mathieu & Zajac, 1990), and older workers have been found to be more committed to their organization (Mathieu & Zajac, 1990). Sex was included as some research suggests that female survivors do differ from male survivors in how much they perceive the threat of job loss following a

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downsizing (Armstrong-Strassen, 1995), although it is not clear whether females should have higher or lower commitment than men (Meyer & Allen, 1997).

### Results

Means, standard deviations, correlations, and reliabilities are provided in Table 1. Multicollinearity does not appear problematic as the highest correlation was .56 between age and service. Downsizing is negatively related to commitment, and trust and empowerment are positively related to commitment. Also, downsizing is not significantly related to trust or empowerment.

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 Table 1 about here  
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The hypotheses were tested with hierarchical regression analysis. All major statistical assumptions for OLS regression were met including independence of error terms, homogeneity of variance, and no substantial multicollinearity. We first entered the demographic control variables (sex, age, years of service, and level of education) as well as the main effects of trust, empowerment, and downsizing represented as Model 3 (see Table 2). Higher levels of trust ( $b = .38^{***}$ ) and empowerment ( $b = .64^{***}$ ) were found to be positively related to commitment, and higher levels of education ( $b = -.11^{***}$ ) and years of service ( $b = -.01^{***}$ ) were found to be negatively related to commitment. No significant relationship was found between sex or age and commitment. Because the dummy variable for downsizing was significant ( $b = -.42^{***}$ ), we also calculated a separate regression for each site (see Models 1 and 2). In each regression, both trust and empowerment were found to be significant, though at different magnitudes.

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 Table 2 about here  
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To better understand the relationship of trust and empowerment with commitment, we then added the interaction terms  $\text{downsize*trust}$  and  $\text{downsize*empowerment}$ . The main effects for trust ( $\underline{b} = .43^{***}$ ), empowerment ( $\underline{b} = .56^{***}$ ), and downsizing ( $\underline{b} = -1.31^{***}$ ) remained significant when the interaction terms were added. These significant coefficients suggest that trust and empowerment are potentially important predictors of commitment, regardless of the context. The two interaction terms were also significant, and the change in adjusted  $\underline{R}^2$  for adding these interaction terms was significant albeit small in size ( $\text{downsize*trust } \underline{\Delta R}^2 = .002, p < .07$ ;  $\text{downsize*empowerment } \underline{\Delta R}^2 = .005, p < .01$ ).

While the direction of the coefficient for  $\text{downsize*empowerment}$  is positive, as expected, the direction of the coefficient for  $\text{downsize*trust}$  is negative. As such, the results provide support for H2 (empowerment positively moderates the relationship between downsizing and commitment). The results, however do not provide support for H1 (trust positively moderates the relationship between downsizing and commitment). To understand the nature of the interaction terms for empowerment and trust more completely, we plotted the regression lines of empowerment and trust with commitment, holding the other variables in the model at their mean levels, for the individuals in a downsizing context and those not in a downsizing context. For example, the downsizing condition regression line in Figure 1 was the following:  $\text{commitment} = 1.03 - .11(3.78) - .02(13.33) - .00(44.69) - .11(1.78) + .43(3.81) + .56(\text{value allowed to vary}) - 1.31(1) - .12(1 * 3.81) + .26(1 * \text{value allowed to vary})$  where the constant term is 1.03, the numbers in the parentheses are the mean values of the different variables in the model (except for downsizing which is specified at 1 given

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we are plotting the downsizing condition line), and the numbers preceding the parentheses are the b-statistics from Table 2.

Figure 2 shows the regression lines for empowerment by commitment in both the downsizing context and the non-downsizing context. As expected, the lowest levels of commitment occur when survivors have a weak sense of empowerment in a downsizing context. Moreover, this analysis also suggests that when survivors have a strong sense of empowerment, their commitment level is virtually the same as employees who are not in a downsizing context. These results suggest that empowerment can help to mitigate the commitment-reducing properties of downsizing.

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 Figure 2 about here  
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Figure 3 shows the regression lines for trust in management by commitment in both contexts. The results indicate that the highest levels of commitment occur when trust is high in a non-downsizing context. The lowest levels of commitment occur when levels of trust are low, regardless of whether it is a downsizing context or not. Commitment levels are higher when trust is greater even in a downsizing context, but the slope representing the relationship between commitment and trust is smaller in a downsizing context than in a non-downsizing one. The meaning of this unexpected negative moderator is discussed in the next section of the paper.

### Discussion

Though Brockner, Davy, and Carter (1985) conducted a lab study comparing downsizing survivors to other not experiencing a downsizing, this is the first field study to directly compare downsizing survivors with employees not in a downsizing context. This sort of comparison is useful because it can tell us whether certain factors can mitigate the negative effects of downsizing

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such that survivor commitment can be preserved at comparable levels to employees who are not undergoing downsizing.

Our results support hypothesis 2, suggesting that survivor empowerment is one important factor that can mitigate the commitment-reducing properties of a downsizing. The estimates in model 4 imply that working in a downsizing context -- in the absence of trust and empowerment -- reduces commitment by 1.31 units. But the effect of downsizing is substantially reduced in the presence of empowerment. For example, with an empowerment score of 3.0, the negative effect of working in a downsized firm (again assuming no trust) is reduced to  $-0.53$  ( $3.0 \times 0.26 - 1.31$ ) -- almost halving the effect. At even higher levels of empowerment, say 5.0, the negative direct effect of downsizing (1.31) on commitment is almost completely offset ( $1.30 = 5.0 \times 0.26$ ) by empowerment. In other words, when empowerment is high, levels of commitment are virtually the same regardless of what context the respondents are in. Empowerment helps survivors to believe that they have the capability to effectively cope with the downsizing. Thus, with empowerment, high levels of commitment can be achieved, even in a downsizing context. We suggest that empowerment helps to reduce the stress inherent in a downsizing situation.

This is not to say that empowerment is only important in a downsizing situation. In addition to the significant interaction effect, the results show a significant coefficient for the main effect of empowerment ( $b = .56^{***}$ ). This coefficient suggests that empowerment is important in building employee commitment whether in a downsizing situation or not. Empowerment helps employees to feel in more control of their work environment. When employees do not feel in control, they are likely to distance themselves from the organization as a way of coping and this can harm their commitment to the organization. Thus, the results suggest that empowerment is

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especially important to commitment in a downsizing context (one unit of empowerment in a downsizing context increases commitment by .26 units).

The findings regarding trust are more complex. As might be expected, the main effect of trust in management, controlling for empowerment and the demographic variables, is positively related to commitment (as indicated by the positive slope of the regression lines in Figure 3). The main effect coefficient indicates that when individuals have low trust, their commitment is low whether in a downsizing context or not. One possible interpretation of this result is that those with low levels of trust may have already made the assessment that their interests are extensively threatened by management and thus do not assess the decision to downsize as providing any additional significant degree of threat. Consequently, their level of commitment is not much different from those who are not in a downsizing context.

But at higher levels of trust, commitment is found to be lower in a downsizing context than in a non-downsizing one. Trust still has a positive effect on an individual's commitment even within a downsizing context, but it does not result in a level of commitment that is equivalent to commitment in a non-downsizing context (as was the case with empowerment). These results are not necessarily consistent with the work by Brockner et al. (1992) which showed that those with the highest levels of commitment prior to a downsizing felt most violated by an unfair downsizing process. After all, the more trusting individuals in our downsizing context still showed greater commitment than their less trusting counterparts, which indicates that overall effect of trust is still positive.

To better understand the relationship of trust with commitment, we also ran a three-way interaction between trust, empowerment, and downsizing to be able to delineate when higher levels of trust are more likely to increase levels of commitment (our hypothesis 1) or reduce commitment

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(the Brockner effect discussed above). We might expect that those who might react most negatively would be individuals who are high on trust but low on empowerment (because they feel they are not able to cope with the breach), or those high on empowerment but low on trust (because they feel capable but are perhaps motivated to react against management). However, we did not find the triple interaction to be significant. Clearly, future research is necessary to understand the true nature of trust in a downsizing context.

The results also suggest some interesting dynamics regarding the role of demographic variables on employee commitment. No significant differences were found between men and women. Those with more years of education were found to be significantly less committed than those with fewer years of education, most likely because more education can lead to more employment alternatives and thus less commitment to the present employer. The significant, negative relationship between length of service and commitment, although counterintuitive, may have several possible explanations. First, we examined only the value component of attitudinal commitment. It may be that employees' continuance commitment, which is based on the costs that the employee associates with leaving the organization (Allen & Meyer, 1990) is more closely related to time spent on the job. Greater tenure is expected to increase the level of firm-specific skills the employee possesses, thereby increasing the value of the employee to the firm but reducing the employee's value to outside firms. Investments in terms of knowledge of the local area and financial investments such as housing would also increase as one spent more time with a given firm. Thus, reduced marketability, and costs associated with leaving a geographic area should increase with tenure, enhancing continuance commitment.

Attitudinal commitment, however, may actually decline with tenure, especially if the organization makes explicit its intent to hire new employees in certain critical areas even as it lays

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off present employees. The perception that experienced employees were not necessarily in demand by top management was repeated in qualitative comments provided to the researchers on the back of the surveys. To the extent that more senior employees have skills that are less in demand by the organization, they may receive the implicit message that they are not valued as much as younger employees and thus would be expected to reduce their commitment.

### Limitations and Directions for Future Research

While it would have been preferable to have a real experimental research design where employees would be randomly placed into the downsizing context, this would have been neither realistic nor ethical. It also would have been preferable to have pre-data as well as post-data for the downsizing site. The pre-data would have allowed us to show that the two groups were similar on the variables of interest in this study before the downsizing announcement was made. However, we did not have access to the groups before the downsizing announcement was made, so pre-data could not be obtained. However, we demonstrated that the two sites were similar before the downsizing announcement was made in terms of a number of attitudinal and structural variables (though they were different on several demographic variables, these were controlled for in the analyses). Thus, because the two sites were similar in many different ways, they provide a valid context for comparison.

Future research would be more effective if one round of data could be collected several months prior to the downsizing so that comparisons among employees at the two plants could be conducted to ensure their similarity. Such pre-treatment data would also be useful to demonstrate how levels of commitment, trust in management, and empowerment may change in a downsizing context. It is only through longitudinal data that the dynamics of empowerment, trust, and commitment can be effectively studied. However, to date, except for research in lab settings, no

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prior work has compared a downsizing context with a non-downsizing context. Thus, this work provides some important insights about the extent to which commitment can be preserved at a level similar to a non-downsizing context.

### Implications for Practice

A challenge is to determine how to preserve empowerment and trust in the context of downsizing. Research by Mishra, Spreitzer, & Mishra (1998) has identified specific strategies for how to preserve levels of trust and empowerment during a downsizing. For example, trust can be maintained by using downsizing as a last resort, telling the truth and being open with sensitive information, and taking care of victims. Empowerment can be sustained by providing a vision for the future, taking unnecessary work out of the system, and providing training for employees to learn new skills for the future. Clearly, this is not easy to do, but may be critical for the effective implementation of an organization downsizing.

### Conclusion

Prior research has shown that employee commitment often suffers during organizational downsizing, particularly when survivors believe that the downsizing was conducted unfairly. This research extends prior work by showing that levels of employee commitment can be preserved to levels comparable to employees not subject to a downsizing when levels of employee empowerment are high. While the main effects indicate that empowerment and trust are important for building commitment in general, the results suggest that empowerment is particularly important in the context of a downsizing. Empowerment helps employees to believe that they have the capability to effectively cope with the downsizing.

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Table 1

Means, Standard Deviations, Correlations and Reliabilities

Variable	<u>M</u>	<u>S.D.</u>	<u>N</u>	1	2	3	4	5	6	7
1. Sex	1.78	.42	1064	(n/a)						
2. Service	13.33	8.59	1064	.15***	(n/a)					
3. Age	44.69	9.97	1064	.04	.56***	(n/a)				
4. Education	3.78	1.32	1099	.14***	-.08**	-.05	(n/a)			
5. Downsize	.31	.46	1131	-.13***	-.24***	-.09**	-.06*	(n/a)		
6. Empower	5.25	.81	1131	.01	.14***	.17***	-.09**	.02	(.85)	
7. Trust	3.81	1.29	1122	-.05	-.04	.00	-.01	.05	.24***	(.97)
8. Commitment	4.53	1.22	1134	-.06*	-.04	.01	-.15***	-.08**	.49***	.51*** (.72)

)

TABLE 2

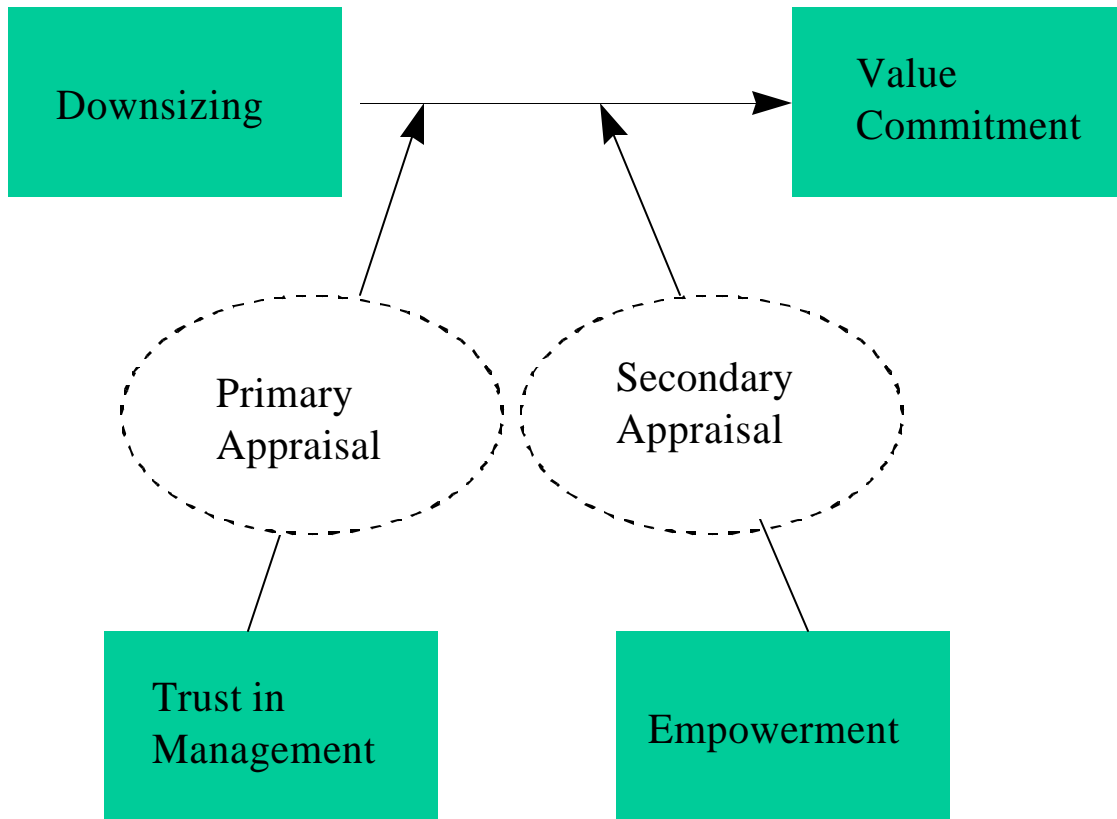
## Results of Regression Analyses for Organizational Commitment

Variable	Model 1 No Downsize	Model 2 Downsize	Model 3 Full Sample	Model 4 Full Sample
Constant	.81 (.31)	.27 (.52)	.83 (.27)	1.03 (.29)
Sex	-.09 (.09)	-.16 (.12)	-.13 (.07)	-.11 (.07)
Service	-.02*** (.00)	.00 (.01)	-.01*** (.00)	-.02*** (.00)
Age	.00 (.00)	.00 (.01)	.00 (.00)	.00 (.00)
Education	-.08*** (.02)	-.18*** (.05)	-.11*** (.02)	-.11*** (.02)
Empowerment	.56*** (.04)	.81*** (.07)	.64*** (.04)	.56*** (.04)
Trust in Management	.43*** (.03)	.31*** (.04)	.38*** (.02)	.43*** (.03)
Downsize			-.42*** (.06)	-1.31*** (.42)
Downsize x Empowerment				.26*** (.08)
Downsize x Trust				-.12** (.05)
<u>Δ R<sup>2</sup></u>				.01***
Adjusted <u>R<sup>2</sup></u>	.44	.45	.44	.45
<u>F</u>	93.60***	44.85	136.47***	93.69***

\*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$

Unstandardized coefficients are presented with standard errors in parentheses.

Figure 1:  
Theoretical Framework



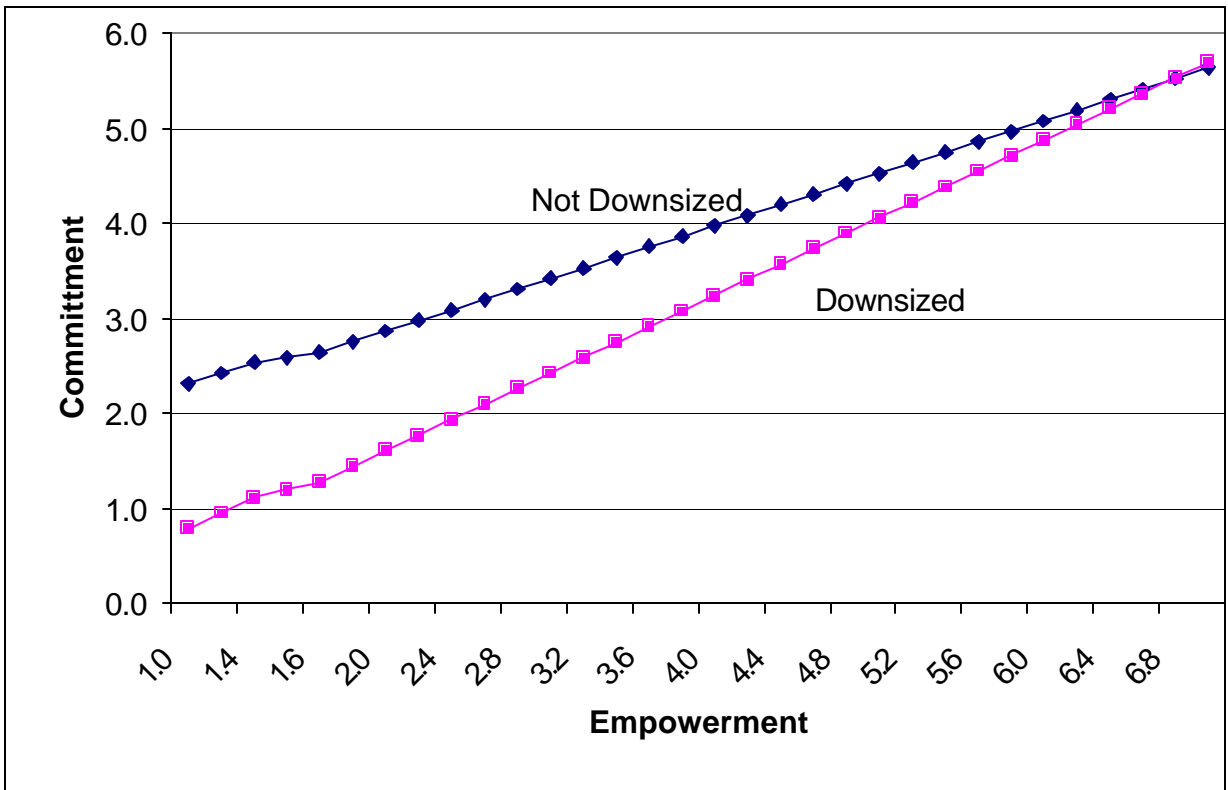


Figure 2. Relationship between Commitment and Empowerment by Downsizing Context

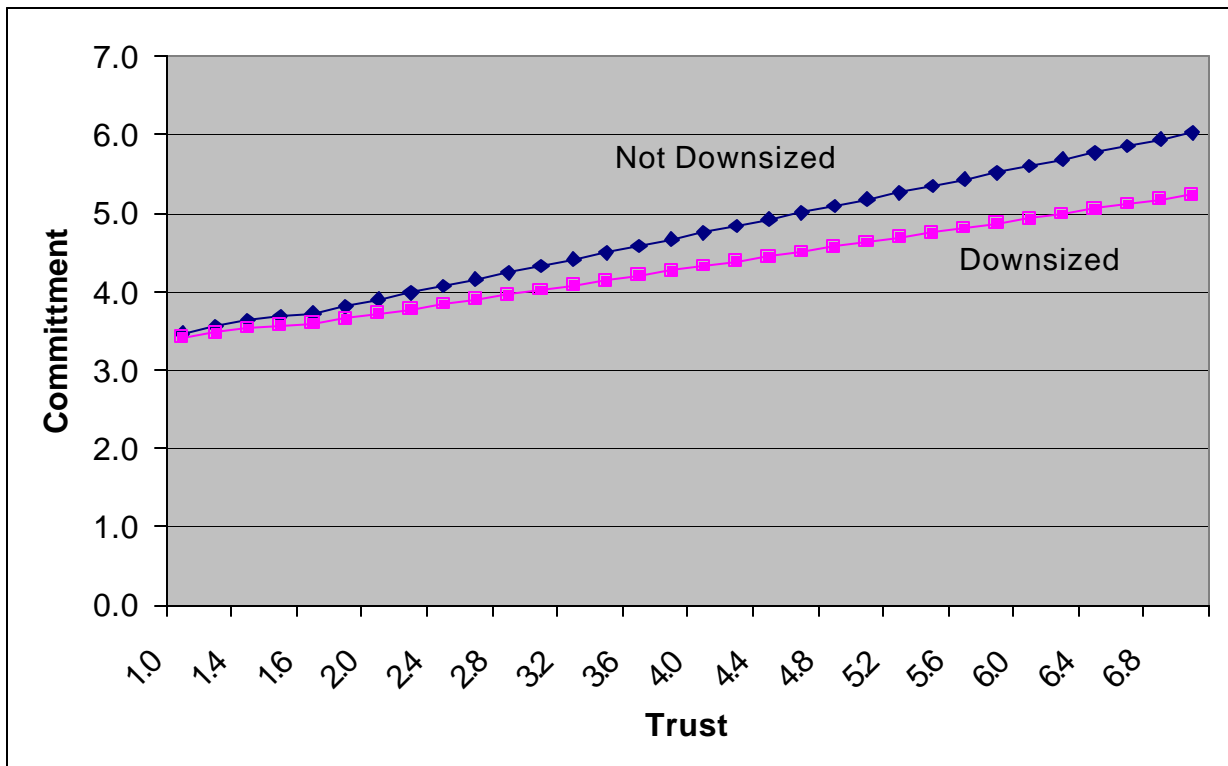


Figure 3. Relationship between Trust and Commitment by Downsizing Context

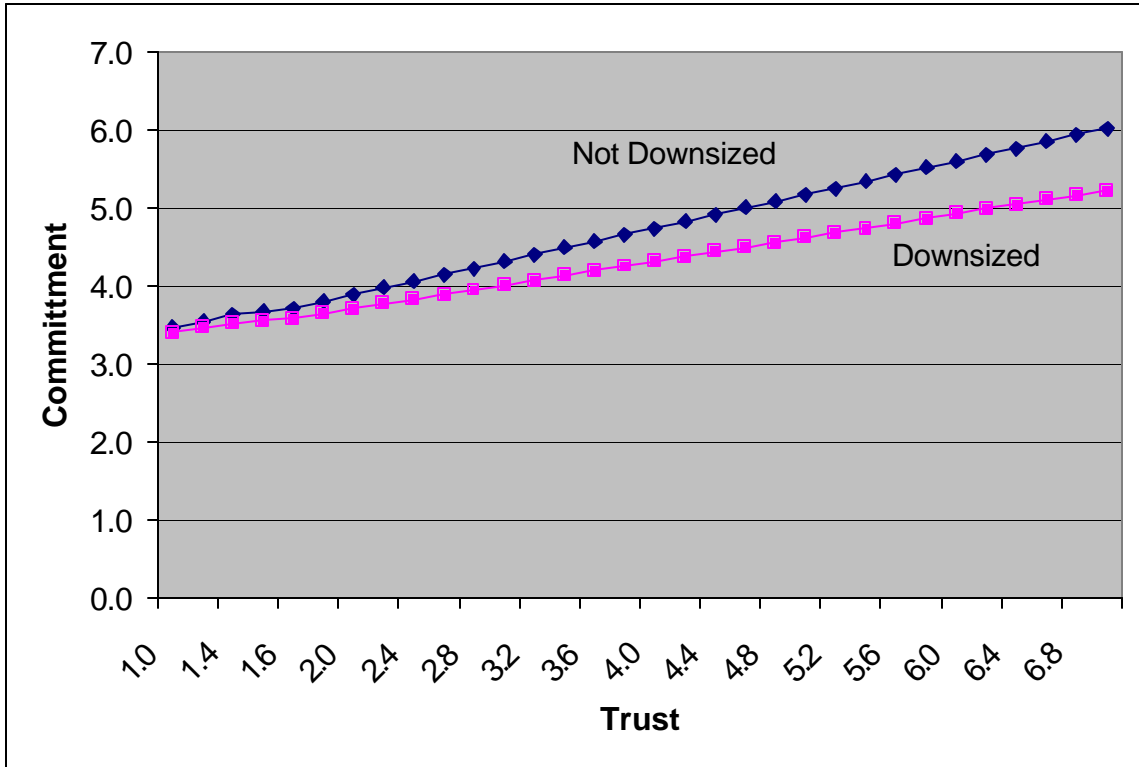


Figure 3. Relationship between Trust and Commitment by Downsizing Context

