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**TO STAY OR TO GO: VOLUNTARY
SURVIVOR TURNOVER FOLLOWING AN
ORGANIZATIONAL DOWNSIZING**

**CEO PUBLICATION
T 99-11 (370)**

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Running head: SURVIVOR TURNOVER FOLLOWING A DOWNSIZING

To Stay or to Go:
Voluntary Survivor Turnover Following an Organizational Downsizing

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Abstract

This paper examines how survivor reactions to a downsizing influence their retention with a firm two years following a downsizing. Survivors who respond hopefully are hypothesized to be more likely to remain with the firm two years following the downsizing. In addition, trust and justice are posited to facilitate more hopeful responses because they reduce the extent to which an organizational downsizing is evaluated as a threat. Empowerment and work redesign are further hypothesized to facilitate more hopeful responses because they enhance survivors' assessments of their capacity to cope with the threat. We test the hypotheses on a sample of downsizing survivors. More hopeful survivors are more likely to remain with the firm two years following the downsizing. Furthermore, empowerment and justice facilitate a hopeful survivor response to a downsizing.

To Stay or to Go:

Voluntary Survivor Turnover Following an Organizational Downsizing

Downsizing is defined as a purposeful reduction in the size of an organization's workforce (Cascio, 1993). Prior research has shown that downsizing can have profound effects on survivors' attitudes and behaviors including, for example, commitment (Brockner, Tyler, & Cooper-Schneider, 1992; Brockner, Wiesenfeld, Reed, Grover & Martin, 1993; Brockner, Grover, Reed, DeWitt, & O'Malley, 1987), job involvement (Brockner, Grover, & Blonder, 1988), good citizenship behavior (Bies, Martin, & Brockner, 1993), withdrawal (Brockner, 1990), work effort (Brockner, Grover, Reed, & DeWitt, 1992) and productivity (Brockner, Davy & Carter, 1985). While we know quite a bit about survivors' immediate reactions to a downsizing, we have only a limited understanding of what the longer-term implications of those reactions are, particularly in terms of survivors' willingness to remain with the firm in the years subsequent to the downsizing. To our knowledge, no prior research has looked at the voluntary retention of downsizing survivors.

The issue of survivor retention is a major concern to companies trying to rejuvenate themselves following a downsizing. In today's environment of very low unemployment, there is substantial competition among employers for skilled workers. Declining employee loyalty has led individuals to more readily changing employers for better salaries, working conditions, and more responsibility. More importantly, prior research has shown that high potential employees have many alternative job opportunities and may be most tempted to leave for a more stable work environment following a downsizing (Mishra, Spreitzer, & Mishra, 1998). Thus, the need to retain survivors with valuable skills becomes an important issue for downsizing firms.

In this paper, we examine survivor turnover two years subsequent to an organizational downsizing. Our hypothesis is that survivors whose immediate reactions to the firm's downsizing are hopeful will be more likely to remain with the firm two years following the downsizing. We also draw on Mishra and Spreitzer's (1998) stress-based model of survivor responses to downsizing to develop specific hypotheses about the key factors that will influence a hopeful survivor response. We then describe our research design, discuss our results, and provide some implications of the research.

Theoretical Framework

Prior research has shown that employees' experience in the organization, as reflected in attitudes such as job satisfaction and commitment, is an important predictor of voluntary turnover (Hom, Griffeth, & Sellaro, 1984; Lee & Mowday, 1987; Mobley, 1977; Somers, 1995). We build on this prior body of research in suggesting that the experience survivors have during the organizational downsizing will shape their willingness to remain with the organization in the years subsequent to the downsizing. Survivors can have a wide variety of responses to organizational downsizing ranging from constructive to destructive and from active to passive (Mishra & Spreitzer, 1998). A hopeful survivor response is one that is both constructive and active. Hopeful survivors believe they have the resources to cope with the downsizing and do not feel threatened by the potential for harm from the downsizing. They are excited about the future of the organization. Because *hopeful* survivors believe they have the resources and capability to effectively cope with the downsizing, they tend to be optimistic about what can come from the downsizing (cf. Smith, Haynes, Lazarus, & Pope, 1996). They feel a sense of ownership in working with the organization (O'Neill & Lenn, 1995; Robinson, 1992). We expect that because hopeful survivors are optimistic about the future of the organization and feel a sense

of ownership following the downsizing, they will be more likely to remain with the organization in the years immediately following the downsizing. Thus,

Hypothesis 1. More hopeful survivors will be less likely to voluntarily leave the organization following the downsizing.

If indeed hopeful survivors are more likely to remain with the organization subsequent to the downsizing, it becomes important to ask what factors influence a survivor to respond hopefully. We draw on Mishra and Spreitzer's (1998) model of survivor responses to downsizing, which builds on Lazarus and Folkman's (1984) theory of stress, in forming our hypotheses. This theory of stress has also been applied to understanding survivor responses to downsizing by Brockner and Wiesenfeld (1992). We posit that trust in management and a perceived just implementation of the downsizing will lead to more hopeful survivor responses because they reduce perceptions of threat inherent in the downsizing. We posit that survivor empowerment and the redesign of work following the downsizing will also lead to more hopeful responses because they increase survivors' sense that they have the capability to cope with the downsizing. The theoretical framework is illustrated in Figure 1.

Figure 1 about here

Trust in top management

Trust in top management minimizes the categorization of threat by helping survivors to understand and believe in management's intentions and expected behavior. Trust is defined as a willingness to be vulnerable to others (Granovetter, 1985; Lewis & Weigert, 1985) based on the prior belief that they are trustworthy (Mayer, Davis, & Schoorman, 1995; Sitkin & Roth, 1993).

Being vulnerable means that a significant potential for loss exists (Deutsch, 1973; Luhmann, 1979; Zand, 1972). Several key dimensions of trustworthiness have been documented in the management literature, including a concern for others' interests, competence, openness or honesty, and reliability (Hart & Saunders, 1997; Mayer et al., 1995; Mishra, 1996). A belief that management is concerned about the best interests of survivors leads to more hopeful responses because survivors believe that top management is acting in the interests of survivors as well themselves. Survivors who believe that management is competent may also respond more hopefully because they view top management as capable of enhancing the organization's competitive position. Survivors who believe that top management is reliable may also respond more hopefully because they believe that top managers will keep their promises. Finally, survivors who believe that top management is being open and honest about what is happening (O'Neill & Lenn, 1995) may be more hopeful because uncertainty is reduced.

Hypothesis 2. Survivors who have greater trust in top management will exhibit more hopeful responses.

Justice

The perceived justness of the downsizing implementation will reduce the degree to which the downsizing is evaluated as threatening by reducing the ambiguity of the expected outcome from the encounter (cf. Folkman, 1984). Brockner and his colleagues have produced a significant body of research showing that perceptions of justice or fairness have a strong influence on survivors' responses to a downsizing activity (e.g., Brockner, Grover, Reed, & DeWitt, 1992; Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). We discuss three kinds of justice.

Distributive justice reflects the fairness of the outcomes resulting from the downsizing

(Brockner & Greenberg, 1990). Because distributive justice facilitates less threatening appraisals, we suggest that it will lead to more hopeful survivor responses. Thus, if survivors believe that the victims of the downsizing receive fair outcomes, they will be less likely to consider top management as adversarial but rather as helpful in easing the transition for victims, and thus will respond more hopefully. Another element of distributive justice is the extent to which the burden of the downsizing is shared across levels of the organizational hierarchy. For example, in one organization, executives received significant performance bonuses at the same time that lower level employees were laid off with minimal severance packages (Dial & Murphy, 1995). We suggest that resource allocations that favor top management at the expense of survivors or victims will result in more threatening appraisals and less hopeful responses; in such cases, survivors are likely to believe that the allocation of scarce resources has been unfair and that they will suffer disproportionately (Brockner & Greenberg, 1990).

Hypothesis 3. Survivors who appraise the downsizing as distributively just will exhibit more hopeful responses.

Procedural justice reflects the fairness of the processes used to implement the downsizing (Brockner & Greenberg, 1990). When the decision rule to determine whom to layoff is based on merit, a survivor is more likely to appraise the downsizing as predictable and less threatening. In contrast, when survivors perceive the decision rule to be politically-based or random, they are less likely to see the implementation as fair and are more likely to retaliate against the injustice of the system rather than responding hopefully. Advance notice, another component of procedural justice (Brockner, Konovsky, Cooper-Schneider, Folger, Martin & Bies, 1994; Kozlowski, Chao, Smith, & Hedlund, 1993), allows individuals to respond hopefully because the probability of an unannounced downsizing has been minimized. Rather than feeling

incapacitated by anxiety about future downsizing, if they have the assurances of advance notice, survivors can lower their defenses because they know they will be given adequate time to prepare for a downsizing in the future.

Hypothesis 4. Survivors who appraise the downsizing as procedurally just will exhibit more hopeful responses.

Recent formulations of interactional justice focus on at least three types of social accounts, or verbal strategies, used to minimize the apparent severity of the encounter (Bies, 1987; Brockner & Greenberg, 1990; Tyler & Bies, 1990): (a) causal accounts that focus on credible mitigating circumstances for the downsizing (e.g., “We had to lay off workers because of an economic recession that was beyond our control”), (b) ideological accounts that link the downsizing to a vision of the organization’s future (e.g., “Laying off workers will help improve our company’s competitive advantage in the future”), and (c) penitential accounts that focus on the interpersonal treatment of those who are affected by the downsizing (e.g., “We are really sorry to have had to resort to layoffs”). Research has shown that offering explanations of why the unpopular events must happen ameliorates negative reactions and promotes the belief that decision makers’ actions were fair and the result of good judgment (Bies, 1987). Each of these social accounts reduces the inherent threat in the downsizing and can contribute to more hopeful survivor responses.

Hypothesis 5. Survivors who appraise the downsizing as interactionally just will exhibit more hopeful responses.

Empowerment

Empowerment reflects a personal sense of control in the workplace as manifested in four beliefs about the person-work relationship: meaning, competence, self-determination, and impact

(Spreitzer, 1995; Thomas & Velthouse, 1990). Meaning reflects a sense of purpose or personal connection about work. Competence indicates that individuals believe they have the skills and abilities necessary to perform their work well. Self-determination reflects a sense of freedom about how individuals do their own work. Impact describes a belief that individuals can influence the system in which they are embedded. Layoffs are likely to threaten a survivor's sense of control; therefore, factors that affect a sense of control before and during downsizing are likely to be important in mitigating the helplessness often experienced by survivors during downsizing (Brockner, 1988).

We suggest that such empowered survivors will be more likely to respond more hopefully to the downsizing. "People fear and tend to avoid ... situations they believe exceed their skills whereas they get involved in activities and behave assuredly when they judge themselves capable of handling situations that would otherwise be intimidating" (Lazarus & Folkman, 1984). Without having some sense of control over a stressful situation, individuals will withdraw into a state of helplessness (Greenberger & Strasser, 1986). Indeed, those who have less control over their work environment, as measured by influence over work content, deadlines, and the people they work with in accomplishing assignments exhibited greater stress as measured by coronary heart disease symptoms (Marmot, 1997). When empowered, however, employees do not feel as though they are mere "cogs" in a machine but more owners of the organization (Bell & Staw, 1989). Thus, we argue that the four dimensions of empowerment should help survivors feel more in control, should help them to cope with the demands of the downsizing, and hence should increase their propensity to respond more hopefully.

Hypothesis 6. Survivors who feel more empowered during the downsizing will exhibit more hopeful responses.

Work redesign

Work design changes which enhance the intrinsic quality of the survivors' work (Brockner, Grover, Reed, & Dewitt, 1992) are likely to help survivors to feel more able to cope with the downsizing and thus increase the likelihood of more hopeful responses. If the intrinsic quality of work has increased or remained constant as a result of the downsizing, survivors can focus their attention on coping with the downsizing rather than being distracted with how they can return the design of their work to previous levels of intrinsic quality (Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). Survivors may be asked to take on the responsibilities of their former co-workers, thereby increasing the perceived variety of their work (Brockner, Wiesenfeld, Reed, Grover, & Martin, 1993). Survivors may consider the use or development of the additional skills needed for the enhanced job variety as resources that can be used to help them cope with the downsizing. These newly developed skills and abilities may reduce survivors' sense of job insecurity and thus facilitate assessments of coping ability. Hackman and Oldham (1980) have shown that more job variety can increase individual motivation about the job and in turn facilitate more flexibility and initiative, which are consistent with hopeful survivor responses.

Hypothesis 7. Survivors who experience greater variety in their work during the downsizing will exhibit more hopeful responses.

Method

Sample and Data Collection Procedures

In late 1996, surveys were administered to a sample of 731 aerospace employees at a plant that had recently announced a downsizing. The downsizing announcement was made approximately one month before the surveys were distributed. At this time, a sizeable percentage of the site's contract workers were laid off.¹ A total of 350 employees responded for a response

rate of 48%. Respondents were assured of the confidentiality of their response. All surveys were mailed back directly to the researchers. The employees who responded were 69% male with an average age of 42 years, 10 years of service at the company, and some college education.

Analysis of the demographic data suggests that the characteristics of those responding to the survey were virtually identical to those who did not return the survey. Two years later, turnover data were collected from archival sources. During that two-year period, no additional downsizings occurred in the organization.

Measures

All survey measures were assessed with 7-point Likert scales ranging from very strongly disagree to very strongly agree. To the extent possible, we used already validated scales for each variable in the model.

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" (openness); "...provides capable and competent leadership" (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, 1999). 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).

Our measures of distributive and procedural justice were adapted from Niehoff and Moorman (1993) by changing the wording to fit a downsizing context. We also created our own measure of interactional justice as no appropriate measure was available at the time the data were collected. The items to measure these three dimensions of justice are included in the appendix.

Because many of the justice items were new or reworded, we conducted a confirmatory factor analysis to make sure we were tapping three distinct constructs. The factor analysis supported our hypothesis of procedural, distributive, and interactional justice being three distinct factors (AGFI = .79, CFI = .90, NFI = .87). Even though procedural and distributive justice are highly correlated ($r = .78$), alternative model specifications, including a two-factor model with procedural and distributive justice combined as one factor, all achieved worse results. Each justice factor achieved high reliability (procedural justice $\alpha = .78$, distributive justice $\alpha = .89$, interactional justice $\alpha = .87$).

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). In an exploratory factor analysis, the items are found to load appropriately on the four dimensions of empowerment. 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).

The measure of task variety was drawn from three items from Hackman and Oldham's (1980) job characteristics measure ($\alpha = .90$). A sample item is "My job allows me to do a number of different things." To measure the hopeful survivor response we had to create our own measure. We asked survivors to rate their response to current organizational changes. The hopeful response was measured by four items: "optimistic," "involved," "hopeful", and

“assertive.” An exploratory factor analysis showed that the four items load onto a single factor and have a Cronbach alpha reliability of .80.

Because some of the measures were new to this study, to understand their construct validity, we also conducted a confirmatory factor analysis of all of the survey measures explained above. All hypothesized factor loadings were significant, and phi values indicate that the relationships between the various factors were different from unity, indicating distinct factors. The overall fit indices provide some moderate evidence for the data fitting our hypothesized model (AGFI = .72, CFI = .90, NFI =.82).

Turnover was measured from archival sources. A turnover variable was given a score of zero if the employee was still with the firm two years after the survey data were collected and a score of one if they had voluntarily left the firm by that time. A total of 61 employees had voluntarily left the organization in that time period.

Control Variables. Several additional variables were included as controls in the analyses because they may also have effects on survivor responses and turnover. An item assessing employees' educational level (measured as a seven-category scale ranging from less than high school to doctoral degree) was also included in the survey. Survivors with higher levels of education may have greater skills and capacity to cope with the stress associated with the downsizing and thus may have more hopeful responses. The age of the employee (measured as number of years) was collected from archival sources. Older workers may believe they have fewer up-to-date skills and are more likely to be laid off in the future and may thus have less hopeful responses. Length of service or company tenure (measured as years of employment at the organization) and gender were also collected from archival sources. Those survivors with longer tenures at the organization may have greater psychological attachment to the firm or more

firm-specific skills due to their longevity and thus may be less likely to leave the organization. Gender was also included as some research suggests that female downsizing survivors do differ from male survivors in how much they perceive threat of job loss following a downsizing (Armstrong-Strassen, 1998).

Results

Table 1 contains the means, standard deviations, and correlations for the variables in the analyses. The correlations indicate initial support for the hypotheses. Supporting H1, a hopeful response is negatively related to turnover. Supporting H1-H7, all three justice variables, trust, empowerment, and task variety are positively related to a hopeful response.

Table 2 includes the regression analyses used to examine the hypotheses. To test H1, we regressed turnover on a hopeful survivor response, controlling for all of the demographic variables. We also controlled for all of the variables hypothesized to predict a hopeful response to ensure that there were no direct effects of these on turnover. To predict turnover, we conducted ordinary least squares and log linear regression analysis. A binary dependent variable like turnover (i.e., staying or leaving) violates the assumptions of ordinary least squares regression. The error terms from prediction cannot be normally distributed nor homoscedastic (Lee & Mowday, 1987). Consequently, all estimates are statistically inefficient. In contrast, log linear models better meet the underlying assumptions and allow for meaningful probability statements and statistically efficient estimates (Cox, 1970). With a dichotomous dependent variable, OLS regression does provide, however, a correct description of the data, and statistical estimates are unbiased. We follow Lee and Mowday's (1987) analysis of turnover and discuss the OLS results in detail and then discuss the corroborating log linear analysis.

In the OLS regression, a hopeful survivor response was significantly and negatively related to turnover, providing support for hypothesis 1. Those who respond more hopefully to an organizational downsizing are found to be less likely to have voluntarily left the firm two years following the downsizing. None of the variables hypothesized to predict a hopeful response were significantly related to turnover. Of the control variables, consistent with prior research on turnover, older workers and those with more years of service were found to have lower turnover.

Tables 1 and 2 about here

When log linear (logistic regression) analysis was conducted, additional support for hypothesis 1, that a hopeful response would be related to a lower likelihood of voluntary turnover, was found (see Table 2). When the predictor and control variables were entered, the -2 log likelihood function was 142.04, with a chi-squared improvement of fit (over the constant) equal to 23.07 ($p < .05$). Like in the OLS regression, none of the predictors of a hopeful response was related to voluntary turnover. As in the OLS regression, age and years of service were negatively related to turnover. This logistic regression indicates that 92.45% of the cases were correctly classified as having turned over or having remained with the firm.

To test hypotheses 2 through 8, we regressed a hopeful survivor response on the predictor variables, controlling for the demographic variables (see Table 2). Because a hopeful survivor response is a scale with continuous properties, an OLS regression is used for the estimation. This analysis will indicate which variables are uniquely predicting a hopeful response. No support was found for hypothesis 2 that trust in management would be related to more hopeful survivor responses.

Support was found for hypothesis 3 but not for hypothesis 4. Perceptions of distributive (i.e., fair outcomes) justice are indeed positively related to hopeful survivor responses. Perceptions of procedural justice were not found to be significantly related to hopeful responses. One possible explanation for the lack of significance may be the high correlation between procedural and distributive justice ($r = .78$) (though we note that these constructs were found to be distinct from unity in our CFA). These findings provide modest support for the significant amount of prior research by Brockner and colleagues which indicates the importance of distributive justice on survivor responses.

No support was found for hypothesis 5 – that interactional justice would be related to constructive survivor responses. Once again this finding should be interpreted with caution as interactional justice is moderately correlated with procedural justice, distributive justice and trust. However, when the procedural and distribution justice are excluded from the regression analysis, or when these scales and trust are all excluded, interactional justice remains insignificant. This finding indicates that it may be less important how the downsizing announcement is communicated than how it was done and who it affects (i.e., procedural and distributive justice).

Support was also found for hypothesis 6 – that empowerment would be related to hopeful survivor responses. The more that survivors feel empowered, the more likely they responded in a hopeful way. No support was found for hypothesis 7 – that task variety would be related to more hopeful survivor responses. No significant relationship was found between task variety and a hopeful response.

Discussion

In summary, support was found for hypotheses 1 (hopeful survivor response leading to turnover), 3 (distributive justice leading to hopeful responses), and 6 (empowerment leading to hopeful responses).

No support was found for hypothesis 2. However, this lack of support should be interpreted with caution. Trust was moderately correlated with each of the justice scales. It may be that trust is an important antecedent of justice, which in turn predicts hopeful survivor responses (as hypothesis 3 indicates). Indeed, in a regression analysis without the justice variables, trust in management was a significant predictor of a hopeful survivor response. Subsequent hierarchical regression analysis revealed that the justice variables mediated trust in management in its effect on the four survivor responses.

This finding is contrary to previous research by Brockner and his colleagues which found that trust may mediate the relationship between justice and outcomes such as organizational commitment (Brockner & Siegel, 1996; Brockner, Siegel, Daly, Tyler, & Martin, 1997). In our study, distributive justice, rather than trust, appears to be the mediating factor. Without the justice scales in our model, trust was a significant predictor of the survivor responses. But when justice was entered into the equation, the direct effect of trust disappeared. In the early phases of a downsizing trust may actually shape perceptions of justice which then influence outcomes. In this way, trust may be a predictor of justice rather than a separate independent variable predicting survivor responses. Clearly, understanding the relationship between trust and justice is a particularly important area to be addressed in future research.

No support was found for hypotheses 4 and 5. It is interesting that procedural and interactional justice were not found to be related to a hopeful survivor response. While

multicollinearity may be creating a suppression effect, this is not a complete explanation because both interactional and procedural justice remain insignificant when distributive justice is removed from the analysis. These results suggest that the perceived outcomes of the downsizing are most important for survivors' interpretations of the hopefulness of the downsizing.

Procedural and interactional justice may be more present-oriented (i.e., how they were treated as the downsizing was being implemented) and thus less relevant to turnover two years into the future, while distributive justice reflects more of the future orientation of a hopeful survivor response (i.e., how they might be treated in the long run if they are ever laid off themselves).

No support was found for the job design predictor as well. It may be that job variety is a double edged sword to a downsizing survivor. While job variety may increase the intrinsic quality of survivors' work, it may also create anxiety because new skills and capabilities must be learned to cope with the new job responsibilities. Thus, the negative effects of such anxiety may cancel out the positive effects of intrinsic job quality, resulting in the insignificant regression coefficient found in the analysis.

Limitations and Directions for Future Research

One theoretical limitation of our work and one reason why we may be explaining a limited amount of variation in turnover, is that our framework does not include some economic or labor market determinants of the turnover decision. Obviously, variables such as what kind of job opportunities are available in the labor market for employees will have an important influence on whether individuals actually do chose to leave the organization when they are unsatisfied with the current situation. However, our intention was not to test a complete model

of employee turnover, but rather to look at the effects of survivor responses to downsizing on retention in the years following the downsizing.

One empirical limitation of this research is the potential for common method bias regarding the predictor variables and the hopeful survivor response. While it would be preferable to have different referents provide different pieces of data to minimize the potential for common method bias, it is not clear conceptually who the appropriate referents would be for these variables beyond the survivor him or herself. Clearly, the survivor responses are affective variables that are most appropriately assessed by the survivors themselves. Similarly, trust and empowerment are both perceptual variables that must be self-assessed. Justice and job design may be variables that might be assessed by an appropriate other, perhaps a close co-worker, but we know from research on individual differences that different individuals differentially perceive even “objective” sort of variables such as work design. So it is not clear how to avoid the problem of common method bias when the variables are examined from a conceptual basis. The findings also indicate that common method bias is not the primary driver of the results given that not all variables using common methods are significant in the analyses.

A strength of the research is that the ultimate dependent variable – actual turnover – is not subject to common method bias as it was collected from archival sources. The longitudinal nature of the data set (turnover data are collected two years following the initial data collection) is a further strength of the data set. Prior research on survivor responses has tended to look at more immediate reactions to downsizing such as job involvement, satisfaction, or commitment.

Implications for Practice

Our theoretical framework suggests a number of strategies for managers to implement during a downsizing that may evoke more hopeful survivor responses. First, facilitating

perceptions of fairness is critical for influencing the hoped for, but often elusive, outcomes of downsizing. Researchers have shown that if the downsizing is not implemented fairly, employees who are more committed will actually respond to the downsizing in more dysfunctional ways than employees who are less committed (Brockner, Tyler, & Cooper-Schneider, 1992). Thus, organizations may antagonize the employees who have the most to offer during a downsizing. Second, the framework emphasizes the importance of empowering survivors in terms of meaning, competence, self-determination, and impact during a downsizing. Empowerment provides a buffer against the threat inherent in a downsizing initiative by helping survivors feel better able to cope. However, empowerment is often eroded during downsizing efforts as job security becomes more tenuous and survivors come to see themselves more as independent contractors than valued members of the firm. Empowerment may further erode as management takes on more control, which is typical during a crisis situation (D'Aunno & Sutton, 1989; Staw, Sandelands, & Dutton, 1981). The irony, then, is that downsizing may destroy the empowerment that is necessary to make or keep the organization competitive in the future. Although the way in which the downsizing is implemented does make a difference, our framework highlights the importance of good long-term managerial relationships with employees beginning long before an announcement to downsize. In this way, effective downsizing is not a short-term fix, but rather a long-term investment in the human resources of the organization.

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Appendix

Distributive Justice

1. Separated employees are being taken care of by the company.
2. This company is offering adequate assistance to separated employees in finding a new job.
3. This company is offering adequate severance pay to separated employees.
4. This company is doing the best that they can to ease the transition of separated employees.
5. The burdens of the consolidation are being shared by all members of the organization.
6. Top management is sacrificing along with other members of the organization.

Procedural Justice

1. Decisions on who is going to be separated are being made in an unbiased manner.
2. The criteria for employee separations are fair and being applied consistently across employees.
3. Employees who are separated will receive adequate advance notice.
4. Employees will be allowed to appeal separation decisions made by site management.

Interactional Justice

1. My concerns were heard before the decision regarding the consolidation was made.
2. Site management collected accurate and complete information before making the decision to consolidate.
3. Site management clarified the decision to consolidate, providing additional information when requested.
4. Site management offered adequate justification for the consolidation decision.
5. Site management explained very clearly the consolidation decision that has been made.
6. The implications of the consolidation decision were discussed with me.

Table 1

Means, Standard Deviations, and Correlations

<u>Variable</u>	<u>1.</u>	<u>2.</u>	<u>3.</u>	<u>4.</u>	<u>5.</u>	<u>6.</u>	<u>7.</u>	<u>8.</u>	<u>9.</u>	<u>10.</u>	<u>11.</u>	<u>12.</u>	
1. Educational Level	3.65 (1.18)	1.0											
2. Sex	1.69 (.46)	.14*	1.0										
3. Age	42.1 (8.92)	-.09*	1.0										
4. Service	10.0 (5.8)	-.05	.09*	.47***	1.0								
5. Procedural Justice	3.83 (1.04)	.13*	.00	-.05	-.02	1.0							
6. Distributive Justice	3.82 (1.29)	.05	-.10	-.01	-.03	.78***	1.0						
7. Interactional Justice	3.23 (1.27)	.00	-.07	-.09	-.13*	.64***	.62***	1.0					
8. Trust in Management	3.91 (1.47)	.06	-.04	.04	.02	.64***	.70***	.62***	1.0				
9. Empowerment	5.27 (.793)	-.09	-.07	.13*	.14**	.11*	.21***	.15**	.26***	1.0			
10. Task Variety	5.21 (1.26)	-.09	.01	.06	.08	.21***	.27***	.21***	.29***	.55***	1.0		
11. Hopeful	4.42 (1.32)	.08	.00	-.08	.05	.21***	.27***	.19***	.24***	.26***	.19***	1.0	
12. Turnover	.08 (.27)	.00	.03	-.14***	-.16***	.05	.01	.04	.02	-.08	-.04	-.12*	1.0

Table 2
Results of Regression Analyses

<i>Variable</i>	<i>Hopeful</i>	<i>Turnover (OLS)</i>	<i>Turnover (Logistic)</i>
Controls			
Education	.08	-.03	-.22
Sex	.01	.03	.31
Age	-.14*	-.12*	-.06+
Years of Service	.10	-.11+	-.13*
Predictor Variables			
Procedural Justice	.12	.09	.49
Distributive Justice	.20*	-.05	-.17
Interactional Justice	.03	-.00	-.13
Trust in Management	.01	.04	.13
Empowerment	.20**	-.02	-.09
Task Variety	.04	-.01	.03
Hopeful Response		-.13*	-.36*
R ²	.13	.06	
F	4.65***	1.85*	
-2 Log Likelihood			142.04
Goodness of Fit			270.25
Model Chi Square			23.07*
Chi Square df			11
Cox & Snell R ²			.07

Note. Significance levels:
 *** p < .001. ** p < .01. * p < .05. + p < .10.

Beta coefficients are presented.

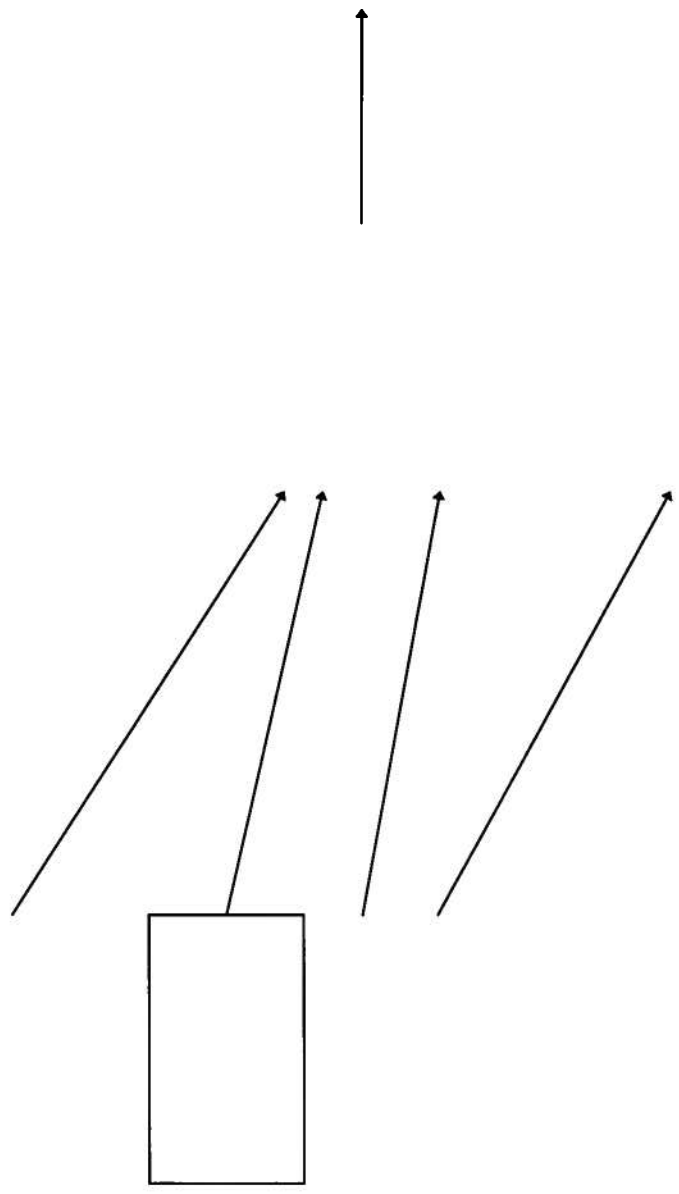


Figure 1. Theoretical Framework

Footnotes

¹ 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.