

AN EXAMINATION OF INDIVIDUAL LEVEL EFFECTS
OF DOWNSIZING IN A FOODSERVICE ORGANIZATION

by

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Dissertation submitted to the Faculty of the

Virginia Polytechnic Institute and State University

in partial fulfillment of the requirements for the degree of

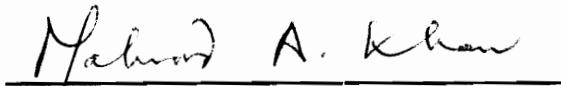
DOCTOR OF PHILOSOPHY

in

Hotel, Restaurant and Institutional Management

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(ABSTRACT)

This research examined the effect of downsizing on the stress-related perceptions and work-related attitudes and behaviors of employees of a school foodservice organization. A major purpose of this study was to investigate individual level responses according to the severity of the downsizing. The research also examined the relationships between employees' stress-related perceptions and their work-related attitudes and behaviors, and the moderating effect of demographic factors on these relationships.

Data for this research was collected from 527 cafeteria employees from 87 campuses of the focal organization. The results indicated that downsizing severity, expressed as the percentage of school cafeteria labor hour reductions during the past year, had little impact on employees' subjective interpretations or their attitudinal and behavioral responses. There was also a significant and positive relationship between downsizing severity and the campus-level productivity, as measured by the increase in meals served per labor hour.

The results indicated no significant relationships between perceived job insecurity and employee attitudinal and behavioral reactions. However, significant and positive relationships were reported between employee role stress, as measured through role conflict and role ambiguity, and their work-related attitudes and behaviors. The correlations between perceived job insecurity and selected demographic variables were found to be either insignificant or contrary to predictions.

DEDICATION

This dissertation is dedicated to my wife, Wendy Regan Hutchinson, and to my father, the late Dr. James H. Hutchinson. Wendy has provided the financial support and unwavering commitment to allow me to pursue my dream. It was only through her steadfast love and encouragement during the past five years that I was able realize this monumental task. Although my father did not live to witness the completion of this study, his ongoing presence provided me with the strength and determination to move through the final stages of this process. It was his enduring example of patience, humor, enthusiasm, perseverance, focus, and commitment that urged me on to the finish line.

ACKNOWLEDGEMENTS

Special appreciation goes to my Committee Chair, Dr. Suzanne Murrmann, Associate Professor of Hotel, Restaurant and Institutional Management, Virginia Polytechnic Institute and State University, for her research guidance and insightful suggestions. Sincere gratitude is expressed to Dr. Kent Murrmann, Associate Professor of Management, Virginia Polytechnic Institute and State University for his positive support and research expertise. Thanks is extended to Dr. Evelina Cross, Associate Professor of Human Ecology, Louisiana State University, and Dr. Nadine Mann, Assistant Director of Child Nutrition Programs, East Baton Rouge Parish Schools, for their enthusiasm and continued support throughout the writing process.

Sincere appreciation is extended to Gail Johnson, Director of Child Nutrition Programs, East Baton Rouge Schools, for her assistance in gathering special data requests and for her commitment to this study. Expressions of gratitude are extended to my mother, Mary Lou Hutchinson, who assisted in sorting through and coding over 600 surveys.

TABLE OF CONTENTS

ABSTRACT.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS.....	iv
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
Chapter 1. INTRODUCTION.....	1
Purpose of the Study.....	6
Theoretical Framework.....	6
Research Questions.....	9
Significance of the Study.....	10
Importance of the Study.....	12
Limitations of the Study.....	13
Summary.....	14
Chapter 2. REVIEW OF THE LITERATURE.....	15
Objective Dimensions of Downsizing.....	16
Alternatives to downsizing.....	18
Downsizing methods.....	19
Downsizing severity and frequency.....	23
Downsizing implementation.....	25
Subjective Interpretations of Downsizing.....	36
Organizational stress framework.....	37
Perceived job insecurity.....	39
Perceived role ambiguity and conflict.....	46
Individual Differences.....	48
Personality traits.....	49
Prior experiences and attitudes.....	50
Demographic variables.....	51
Economic factors.....	52
Summary of Literature Review.....	53
Objective dimensions of downsizing.....	53
Subjective interpretations of downsizing.....	55
Individual differences.....	55

Chapter 3. METHODS OF STUDY.....	57
Conceptual Model and Hypotheses.....	57
Conceptual model.....	57
Hypotheses.....	59
Description of Field Setting.....	67
Procedures.....	73
Measures.....	74
Independent variable	74
Dependent variables.....	74
Statistical Analyses.....	84
Summary.....	85
Chapter 4. RESULTS.....	88
Tests of Hypotheses.....	94
Hypothesis one.....	94
Hypothesis two.....	97
Hypothesis three.....	102
Hypothesis four.....	104
Hypothesis five.....	106
Hypothesis six.....	107
Hypothesis seven.....	108
Summary of Findings.....	109
Chapter 5. DISCUSSION.....	111
Contributions of the Research.....	121
Limitations of the Study.....	123
Implications for Theory and Practice.....	125
Implications for theory.....	125
Implications for practice.....	127
Future Research Directions.....	130
Conclusions.....	133
REFERENCES.....	135
APPENDIX A. Survey Instrument Cover Letter.....	146
APPENDIX B. Survey Instrument.....	148
VITA.....	164

LIST OF TABLES

Table 1.	Demographic Characteristics of Survey Respondents.....	89
Table 2.	Scale Reliabilities of the Scales Included in the Study.....	90
Table 3.	Means and Standard Deviations of the Variables Included in the Study.....	92
Table 4.	Descriptive Statistics of Individual Responses by Downsizing Severity.....	95
Table 5.	Descriptive Statistics for Selected Study Variables.....	96
Table 6.	One-Way Analyses of Variance Employee Subjective Interpretations by Downsizing Severity...	98
Table 7.	Intercorrelations of the Variables Included in the Study.....	99
Table 8.	One-Way Analyses of Variance Attitudes and Behaviors by Downsizing Severity.....	101
Table 9.	One-Way Analyses of Variance Employee Productivity by Downsizing Severity.....	103
Table 10.	One-Way Analyses of Variance Work Effort by Downsizing Severity.....	105
Table 11.	Summary of Research Results.....	110

LIST OF FIGURES

Figure 1.	Theoretical Framework for the Study of the Individual Level Effects of Downsizing.....	8
Figure 2.	Model Summarizing the Review of the Literature Relevant to the Individual Level Effects of Downsizing.....	54
Figure 3.	Conceptual Model Developed for an Examination of the Individual Level Effects of Downsizing.....	58

CHAPTER 1

INTRODUCTION

The prolonged economic downturn that began in the mid-1970's has resulted in the highest rates of job loss since the Great Depression (Greenhalgh and Rosenblatt, 1984). During the 1980's, the Fortune 500 companies alone lost 3.2 million positions (Henkoff, 1990), and over three million jobs were cut from the payrolls of U.S. companies between 1985 and 1990 (Elliott, 1990). Recent job loss statistics indicate that these work force reductions have further escalated during the early 1990's. Press releases and articles concerning plant closings, layoffs, and corporate restructurings of many of America's largest and historically most profitable companies have become a daily topic in America's most widely circulated publications, such as the Wall Street Journal, Business Week, Fortune, the New York Times, and the Washington Post. The U.S. Department of Labor reported that nearly 1.5 million jobs were cut during the two year period from the onset of the recession in July 1990 until July 1992. Correspondingly, 55 percent of the firms responding to the 1991 American Management Association (AMA) Downsizing Survey reported that they had conducted work force reductions in the prior 12 month period, compared with 36 percent of the respondents in the 1990 survey. This was the most widespread downsizing activity reported since the inception of the survey in 1987.

Few sectors of the U.S. economy have avoided the difficult challenges of downsizing, and the hospitality industry is no exception. Downsizing has recently become a prevalent activity among America's lodging and foodservice organizations in both the private and public economic sectors (Hutchinson and Murrmann, 1992). In the lodging industry, layoffs have been conducted by Holiday Inns, Hilton, Days Inn, Hyatt Hotels, and La Quinta Motor Inns. Following the 1990 acquisition by Bass PLC and the subsequent transfer of corporate headquarters from Atlanta to Memphis, Holiday Inns eliminated over 500 corporate staff positions. In 1990 and 1991, Marriott laid off over 1,000 employees in different areas of the company, due to the company's excessive debt obligations created by the rooms oversupply and reduced demand in the lodging industry. In late 1990, Hilton Hotels announced 100 layoffs of regional management and support

positions to improve organizational efficiencies. In 1991, Hyatt Hotels Corporation cut 700 positions, or 1.5 percent of the work force, at 105 hotels due to technological advances in hotel operations. Due to significant debt obligations, La Quinta Motor Inns eliminated 72 jobs at its corporate headquarters in late 1991. Following the 1992 acquisition of Days Inn by Hospitality Franchise Systems, the relocation of the Atlanta reservation center resulted in layoffs of over 300 employees.

The commercial and non-commercial sectors of the foodservice industry have experienced significant payroll cuts in recent years. In the quick-service segment of the commercial sector, a major reorganization at Burger King in 1989 and 1990 resulted in the elimination of over 800 regional management and support positions. In a similar reorganization, Pepsico Corporation eliminated over 900 management and support personnel between 1990 and 1992 at the regional offices of its Pizza Hut, Taco Bell, and KFC restaurant chains. Hardee's also cut over 200 corporate or regional management and support positions between 1990 and 1991. In general, downsizing at quick-service restaurant chains has not become an ongoing corporate activity that has involved across-the-board cuts. Instead, these reductions have been conducted on a one-time only basis and have been targeted at management and staff positions at the corporate, regional, and district level. The primary rationale for these work force reductions has been to increase operational efficiency, improve communication, and enhance customer service. With the exception of KFC, downsizing was not implemented in response to declining sales or profits.

In the non-commercial sector of the foodservice industry, the large-scale and ongoing downsizing activities of America's businesses and manufacturing plants (i.e., IBM, General Motors, Eastman Kodak, Boeing, Lockheed) have resulted in corresponding, across-the-board payroll cuts among foodservice contract management companies and self-operator foodservice personnel. In 1990 and 1991, Service America terminated over 1,000 employees, due to high debt requirements and decreased demand in client accounts. In 1991, Marriott's Food and Services Management division cut 52 positions, or 45 percent, of its corporate headquarters staff and laid off 100 employees at various geographical locations. The continued decrease in overnight patient stays and the corresponding reduction in meals served has resulted in a continued reduction of foodservice personnel at hospitals across the country. In the public sector, declining student enrollments and a continued massive military downsizing also have resulted in work force reductions in foodservice programs at schools, colleges and universities, and the U.S. military. Most

school foodservice programs have undergone a period of organizational decline during the past decade, which may be evidenced by declining student enrollment, budget cutbacks, and a shrinking pool of human and physical resources. The continued closing of military installations will result in further job loss by the large number of civilian and military foodservice personnel at these locations.

The results of the widespread downsizing activities during the past decade do not appear encouraging. Although most organizations resort to work force reductions to cut payroll costs and increase employee productivity, there is little evidence that these objectives have been satisfactorily achieved. Despite massive layoffs during the past decade, U.S. nonfarm productivity increased by an average annual rate of only 1.2 percent in the 1980's (Henkoff, 1990). This represented virtually no improvement from the 1970's. Correspondingly, in a survey of executives of 1,468 downsized organizations by the Society for Human Resources Management, respondents indicated that employee productivity either had stayed the same or declined in over 50 percent of the companies. Most American executives now admit that downsizing was the wrong strategy for improving the financial position of their organizations (Henkoff, 1990). Research indicates that over 75 percent of U.S. executives who have directed downsizing efforts state that work force reductions did not improve the competitive position of their organizations (Robertson, 1987).

The harsh realities of the past decade have forced both academics and practitioners to shift their focus from organizational growth and expansion to the more prevalent phenomena of organizational decline, retrenchment, and downsizing. A growing organization that continually adapts to its environment is able to provide employees with a set of inducements (i.e., promotional opportunities, rewards, pay raises, etc.) to participate and contribute in the organization (March and Simon, 1958). Conversely, the work environment characterized by declining organizations will likely threaten the continued availability of these inducements and thus abrogate the psychological contract between the employee and the employer. Without the available inducements to overcome negative employee reactions, it is difficult for declining organizations to be innovative and flexible at a time when these qualities are needed the most (Levine, 1978). Thus, management in declining organizations must be creative in maintaining a productive and innovative work force without the continued availability of employee inducements (Sutton, Eisenhardt, and Jucker, 1986).

Although organizational decline, shrinkage, retrenchment, and downsizing represent different phenomena, these terms are often used inter-changeably by both managers and academics. Organizational decline represents a failure of a firm to adapt to its changing environment and the associated reduction in resources, since the organization can no longer adequately service the needs of the environment that supports it (Cameron, Sutton, and Whetten, 1988; Greenhalgh, 1983a). Organizational shrinkage, or the reduction of a firm's resources, may be accomplished by organizational responses to decline such as downsizing or retrenchment. Downsizing represents a form of organizational shrinkage designed to cut costs through a reduction in the size of the work force (Greenhalgh, 1982). A variety of names have been used inter-changeably when referring to work force reductions, including "downsizing," "cutback," restructuring," and "reorganization" (Heisler, Jones, and Benham, 1988). Retrenchment is a form of organizational shrinkage that is characterized by a decrease in the services provided by an organization, such as reduced travel budgets or executive perquisites (Whetten, 1980a).

Downsizing and decline represent two different phenomena that are not always associated. Since downsizing is only one strategy that management may use in response to decline, work force reductions may or may not be present in a declining organization. Other management responses to decline include retrenchment, new product development, new marketing strategies, divestment, executive succession, or turnarounds (Cameron, Sutton, and Whetten, 1988). Further, downsizing may be present in organizations that are not experiencing decline. Many organizations in today's work environment have established downsizing as an on-going business activity designed to enhance organizational efficiency, regardless of organizational performance. For example, during the past five years, an average of 58 percent of the 1991 AMA Downsizing Survey respondents that had downsized in the preceding twelve months also reduced the size of their work force in the following twelve months. Among these firms, 75 percent were profitable in the year (or years) in which reductions took place.

Due to increasing pressures to decrease operating costs while improving organizational effectiveness and efficiency, downsizing has become a critical issue facing managers at all levels of an organization (Fisher, 1989; Appelbaum, Simpson, and Shapiro, 1987). The prevalence of downsizing activities may be evidenced by the growing body of practitioner literature that addresses this topic. Newspapers, magazines, business periodicals and trade journals have recently devoted considerable space to prescriptive, anecdotal, and descriptive articles, focusing on the pros and cons of downsizing or the

appropriate steps to take for downsizing planning and implementation. Unfortunately, there has been limited theoretical and empirical research to guide management and staff personnel in the planning and implementing of work force reductions (Fisher, 1989; Brockner, 1988; McCune, Beatty, and Montagno, 1988; Appelbaum, Simpson, and Shapiro, 1987). Most of the academic literature associated with downsizing is theoretical, fragmented, and widely dispersed among various research disciplines.

Although downsizing is the form of organizational shrinkage of most concern to those employees who remain in the organization, there have been few empirical investigations of employees' reactions to work force reductions (Brockner, 1988; Greenhalgh, 1983b; Greenhalgh and McKersie, 1980). Instead, theory and research on the individual-level consequences of downsizing have focused on the antecedents or consequences of layoffs and laid off workers (Brockner, 1988). If layoffs are involved, those employees who are terminated will face economic and psychological hardship for extended periods of time (Greenhalgh, Lawrence, and Sutton, 1988; Appelbaum, Simpson, and Shapiro, 1987). Economic researchers have used the theoretical frameworks of human capital, internal labor market or implicit contract theory to examine the individual-level effects of job loss (Hall, 1982; Addison and Castro, 1987). In sociology research, Cornfield (1983) examined the probability of layoffs in a single organization.

Organizational scholars and practitioners have only recently begun to examine the impact of downsizing on employees. These individuals may react to a downsizing with positive attitudes and behaviors, due to their perceptions of increased promotional opportunities, higher pay potential, more authority, increased job challenge, or more task variety. However, practitioners and academics have generally focused on the dysfunctional consequences of work force reductions. For example, employees are generally suggested to react to a downsizing with decreased job satisfaction, reduced organizational commitment, less job involvement, more resistance to change, and reduced work effort (Brockner, 1988, Greenhalgh, 1983a). These dysfunctional responses are suggested to lead to negative organizational outcomes, such as decreased productivity, reduced profits, decreased product quality, customer alienation, increased turnover of the most valued employees, and difficulty in future recruiting efforts (Leana and Feldman, 1989; Kuzmits and Sussman, 1988; Henkoff, 1990; McCune, Beatty, and Montagno, 1988). Thus, the individual-level consequences of a downsizing may result in an overall decrease in organizational effectiveness and efficiency.

Purpose of the Study

The purpose of this study was to examine the effects of a downsizing on the employees of a hospitality industry organization that is undergoing a downsizing. This research was designed to provide a theoretical framework for hospitality industry researchers to further examine the individual-level effects of downsizing. The results of the study were also used to provide recommendations to hospitality industry managers and administrators that are relevant to the planning and implementation of an effective downsizing program.

Theoretical Framework

A theoretical framework has not been developed to specifically test the antecedents, correlates, and outcomes of employees' reactions to downsizing. Since the downsizing environment is considered to be quite stressful (Jick, 1985; McGrath, 1976), researchers have called for future investigations to draw upon the literature of organizational stress to examine the work-related stress factors related to employees' attitudinal and behavioral responses (Brockner, Grover, and Blonder, 1988). Organizational stress researchers have generally reported that work-related stress is associated with a number of dysfunctional attitudinal and behavioral responses, such as increased turnover, decreased productivity, lower organizational commitment, and decreased job satisfaction (Beehr and Newman, 1978; Schuler, 1980). Historically, practitioners and researchers have focused on the stressful effects of downsizing on laid off victims, with little attention given to the survivors of layoffs (Greenhalgh, 1983b; Brockner, 1988). However, the results of empirical research concerning involuntary job loss indicate that the stress-produced effects of employee perceptions of job loss are similar to the stress associated with job loss itself (Depolo and Sarchielli, 1987; Cobb and Kasl, 1977).

Several field studies have used the organizational stress theoretical framework to investigate organizational and individual level responses to the external stress imposed by budget cutbacks (Hall and Mansfield, 1971; Jick, 1979; Murray and Jick, 1985). Although these studies did not specifically focus on employees' reactions to downsizing, work force reductions were one of managements' responses to the financial crises present in these organizations. Using the stress-strain theoretical framework developed by

researchers at the Institute of Social Research at the University of Michigan (French and Caplan, 1972; Caplan, Cobb, French, Harrison, and Pinneau, 1975), Jick (1979) examined employees' reactions to a merger and subsequent downsizing of a hospital system. Based upon the stress-produced individual-level effects of a downsizing environment, the stress-strain model also was used as the theoretical framework in the present study. The organizational stress literature indicates that this model has been carefully developed, empirically tested, and refined as necessary (Jick, 1979).

Caplan, Cobb, French, Harrison, and Pinneau (1975) define "stress" as any work-related characteristic that presents a threat to an employee (i.e. downsizing, budget cutbacks, etc.) and a "strain" represents any variation from the standard response of an employee (i.e. reduced organizational commitment, decreased job satisfaction, less job involvement, etc.). According to the stress-strain model, stress is a function of both the "global objective environment" and a "subjective environment." The objective environment exists independent of employee perceptions, while the subjective environment is internal to each individual and cannot be directly observed. The model suggests that the objective stressors are mediated by subjective stressors, which will in turn influence the various strains. Strains also will be influenced by individual differences and the nature of the fit between the person and the objective environment.

Since a more appropriate and comprehensive downsizing model has not been developed, the theoretical framework presented in Figure 1 was adapted from the stress-strain model and used in the present study to examine the individual-level effects of work force reductions. Researchers have called for future studies of employees' reactions to downsizing to include measures of the objective dimensions of work force reductions (Greenhalgh and Rosenblatt, 1984; Jick, 1985; Brockner, 1988). Jick (1985) proposed several objective dimensions of budget cutbacks that appear relevant to a downsizing environment, including: 1) the severity and frequency of the reductions, 2) the extent of management assurances regarding job security, 3) the downsizing methods used, 4) the selection criteria used to determine which positions will be affected, and 5) task-related changes.

Organizational stress researchers have suggested that an individual's subjective interpretations of their work environment may differ from the "objective" properties of that environment (Billings, Millburn, and Schaalman, 1980; Whetten, 1980a,b; Ford, 1980a,b; Jick, 1985). Jick (1985) proposed that the subjective stressors associated with budget cutbacks will be stronger determinants of individual-level responses than the objective

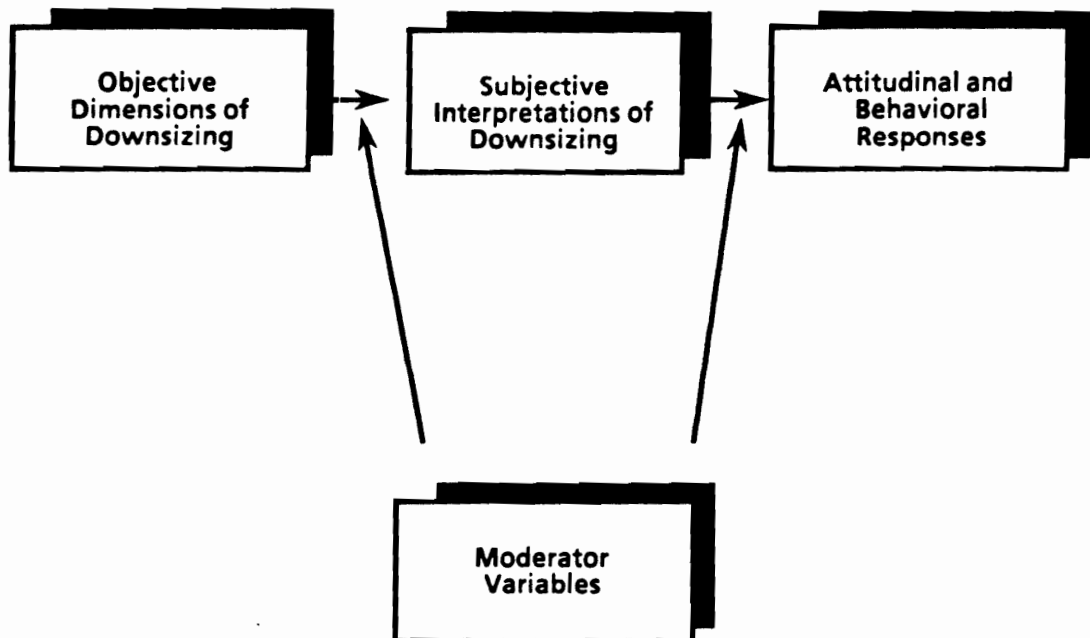


Figure 1

**Theoretical Framework for the Study of
the Individual-Level Effects of Downsizing**

properties of budget cutbacks. He also argued that employees' subjective interpretations of budget cutbacks would lead to different individual-level response patterns than those commonly associated with the objective dimensions of budget cutbacks. Since downsizing represents a common method used to achieve budget cutbacks, employees' reactions to work force reductions may be more significantly influenced by their subjective interpretations of those events than by the objective changes that actually occur (Brockner, 1992). Researchers have proposed that employees of downsizing organizations will experience increased levels of stress, as represented by the individual stress-related perceptions of job insecurity, role ambiguity, and role conflict.

A number of variables have been suggested to moderate the relationship between the objective dimensions of downsizing and employees' attitudinal and behavioral responses. Jick (1985) posited that employee responses to budget cutbacks may be moderated by individual mechanisms for coping with the threat, such as financial savings and perceived alternative job opportunities. Brockner (1988) proposed a classification scheme of moderator variables that includes: 1) the nature of work, 2) survivor individual differences, 3) the formal organization, 4) the informal organization, and 5) environmental conditions. Moderator variables that have been empirically investigated include several individual difference factors, such as personality traits, demographic variables, prior experiences and attitudes, and economic factors.

Research Questions

This study utilized the theoretical framework presented in Figure 1 to address the following questions: (1) How do the objective dimensions of downsizing impact employees' subjective interpretations?; (2) How do the objective dimensions of downsizing environment influence employees' work-related attitudes and behaviors? (3) How do employees' subjective interpretations of the downsizing impact their work-related attitudes and behaviors?; and (4) What impact do individual differences have on employees' subjective interpretations ?

Significance of the Study

The present study was designed to address several theoretical and methodological gaps identified in the literature. First, despite the topic's theoretical and practical significance, the present study represents one of the few empirical investigations of the individual-level effects of downsizing. Most of the literature related to this topic has been normative and atheoretical, with issues focusing on declining student enrollments (Blaney, 1972; Eisenberger, 1975; Green, 1974; Shook, 1974; Zazzaro, 1973), strategic decision responses to externally imposed budget cutbacks (Levine, 1978, 1979, 1980), and case studies of organizations undergoing decline and budget cutbacks (Rubin, 1979; Boseman and Slusher, 1979; Glassberg, 1978; Ford, 1980ab; Starbuck, Greve, and Hedberg, 1978; Dunbar and Goldberg, 1978).

Second, this research was conducted in the context of a downsizing organization. Most recent empirical research on the individual-level effects of downsizing has been conducted in controlled laboratory settings that are far removed from the organizational contexts in which work force reductions occur. Since there is little at stake in a laboratory experiment and subjects are usually unacquainted, the impact of downsizing on employees in real organizations may be grossly underestimated (Brockner, Greenberg, Brockner, Bortz, Davy, and Carter, 1986). Thus, the external validity of the results from these laboratory experiments must be questioned (Brockner, Davy, and Carter, 1985; Brockner, Greenberg, Brockner, Bortz, Davy, and Carter, 1986; Brockner, Grover, Reed, DeWitt, and O'Malley, 1987). Researchers have called for more field studies to investigate employee reactions to downsizing in the organizational context in which they actually occur (Brockner, Davy, and Carter, 1985; Brockner, Greenberg, Brockner, Bortz, Davy, and Carter, 1986; Brockner, Grover, and Blonder, 1988).

Third, this study was conducted in the context of a hospitality industry organization. Despite the prevalence and significance of downsizing activities in the hospitality industry, there has been little evidence of theoretical or empirical research concerning the effects of downsizing on employees of hospitality organizations. Although several recent studies have been conducted in the context of service organizations (i.e., financial institutions, retail chain), a substantial portion of the business literature related to employees' reactions to downsizing has focused on sample populations of hourly manufacturing workers and professional personnel (i.e., engineers, scientists, sales managers) in post-layoff environments. Most of these field studies were found in the

organizational stress literature and were conducted during the 1970's. Although downsizing activities were present in a number of these field settings, relationships between the objective dimensions of downsizing and other relevant variables were not examined.

Fourth, the present study used an organizational stress framework to examine employees' reactions to downsizing. Since most previous studies have used few variables to investigate the individual-level effects of downsizing, a comprehensive theoretical base has not been developed. Correspondingly, researchers have called for future studies to establish a theoretical framework to better explain the effects of downsizing on the work attitudes and behaviors of employees (Brockner, 1988; Brockner, Grover, and Blonder, 1988; Brockner, Grover, Reed, and Dewitt, 1992). The results of this study also may contribute to the literature concerning outcome variables such as organizational commitment, job involvement, productivity, and job satisfaction.

Fifth, most empirical investigations in the context of a downsizing environment have focused on the effects of layoffs on the survivors. However, layoffs represent the most severe method of downsizing and is often chosen by organizations only as a last resort. The present study was conducted in an organization that did not select layoffs as a downsizing method. Instead, management selected to use the least severe downsizing method, a natural attrition program with a hiring freeze. This ongoing and more humane approach to downsizing is similar to that being used by most of today's organizations. Since layoffs are not involved in the present study, the term survivors does not apply. However, even if an organization undergoes a less severe downsizing, this environment may elicit dysfunctional individual-level responses. Further, a less severe, ongoing downsizing program may have more negative long-term consequences than a short-run and more severe downsizing.

Sixth, this study administered several rarely used measures in examining employee reactions to downsizing. First, a subscale of the recently developed Job Insecurity Scale (Ashford, Lee, and Bobko, 1989) was used to measure the job insecurity construct. Greenhalgh (1983b) has questioned previous measures of the job security, since this construct usually has been measured as a facet of a global job satisfaction scale and in the context of growing organizations. Since employees in these organizations are probably not that concerned with job security, this construct would show limited variability. Second, although researchers have posited that employees in a downsizing environment will report higher levels of role stress, employee perceptions of role ambiguity and role conflict have

rarely been measured in the context of a downsizing environment. This study addressed both of these well documented role stress measures. Third, productivity was represented by an objective measure. Researchers have seldom used objective performance measures of productivity, but instead have relied on weaker subjective measures such as self-reports or supervisor assessments. Finally, demographic variables, which rarely have been considered in prior empirical research of this topic, were used to examine the moderating effects of individual differences.

Importance of the Study

From a practical perspective, the present study was designed to provide hospitality industry managers with insights into how to administer downsizing strategies to elicit the most positive (or least negative) behavioral and attitudinal reactions from employees. Although individual-level responses to a downsizing will likely impact an organization's long-term effectiveness (Brockner, 1992) and downsizing is prevalent in today's organizations, most managers have relatively little understanding of how to manage the downsizing process. This research should help managers better understand how downsizing impacts employees' work-related behaviors and attitudes so that downsizing programs may be planned and implemented in a manner to facilitate long-term organizational effectiveness.

This study attempted to provide insight into the following challenges that managers of downsizing organizations must be prepared to confront and resolve: (1) motivating employees despite budget cutbacks, (2) retaining the most valuable personnel, and (3) avoiding decreases in employees' commitment, satisfaction, job involvement and productivity. This study also will investigate several individual differences variables that have been suggested to moderate the effects between the objective and subjective characteristics of downsizing and employees' subsequent work attitudes and behaviors. A clarification of the association between individual differences and employee reactions may enable managers to identify employees whose attitudes and behaviors will be most negatively affected by the downsizing (Brockner, 1988; Brockner, Grover, and Blonder, 1988).

Limitations of the Study

Although researchers have called for a longitudinal design to assess the hypothesized temporal nature of the strength and duration of employees' attitudinal and behavioral responses to a downsizing, the present study used a cross-sectional design. A longitudinal design would have involved the use of pre-measurements (before employee knowledge of work force reductions) and post-measurements in both "experimental" (work force reductions present) and "control" (work force reduction absent) groups, as suggested by Brockner, Grover, Reed, DeWitt, and O'Malley (1987). Few longitudinal studies have been conducted in the context of a downsizing environment, primarily due to the confidentiality of an unannounced downsizing program. Since researchers are denied early access to the organization, accurate pre-measurements cannot be taken. When survey instruments are usually administered, employees are already aware of impending work force reductions through such sources as rumors, newspaper articles, informal discussions, or official company announcements. In most instances, researchers are not able to enter the work setting until all downsizing activities have been implemented.

Several previous field studies have attempted to overcome the absence of a longitudinal design by conducting retrospective self-report assessments of employees in a post-downsizing environment. A comparison is usually made between "pre-change" factors (i.e., before the work force reductions occurred) with "post-change" factors. Employees are asked how they felt two or three years ago (i.e. before the downsizing) and how they felt when the downsizing was completed (i.e., a number of months ago). The differences in the two responses were compared and the results reported. Based on the inherent methodological weaknesses posed by this research design, the results of these studies must be questioned. Rather than conducting retrospective assessments in a post-downsizing environment, this research attempted to gain a more accurate measure by assessing employees' present reactions to an ongoing downsizing program. The results of this research should have a higher degree of external validity than previous field studies that have relied on employees' retrospective assessments.

Summary

Although downsizing activities have become prevalent among today's hospitality industry organizations, there has been little theoretical or empirical research to guide industry academics or practitioners in understanding and positively addressing employees' reactions to a downsizing. Therefore, the purpose of this study was to examine the impact of downsizing on the employees of a downsizing foodservice organization. To empirically investigate these relationships, a theoretical framework was adapted from the stress-strain model of the organizational stress literature. A cross-sectional design was used to address the following questions: (1) How do the objective dimensions of downsizing impact employees' subjective interpretations?; (2) How do the objective dimensions of downsizing environment influence employees' work-related attitudes and behaviors?; (3) How do employees' subjective interpretations of the downsizing impact their work-related attitudes and behaviors?; and (4) What impact do individual differences have on employees' subjective interpretations? The present study should provide a theoretical foundation for future downsizing research by faculty in university hospitality management programs. It should also provide hospitality organizations' managers with insights into how to plan and implement downsizing programs to elicit the most positive (or least negative) behavioral and attitudinal responses from employees.

CHAPTER 2

REVIEW OF THE LITERATURE

This chapter provides a review of the literature relating to the individual-level effects of downsizing. Although there is an extensive body of practitioner literature related to organizational downsizing, there has been little theoretical and empirical research on this topic. Thus, it is not surprising that a well-defined conceptual model of the downsizing process has not been developed to guide empirical research efforts. Correspondingly, the academic literature related to the topic of downsizing is fragmented among various research disciplines and includes a wide array of variables used to test hypotheses that were usually not directly focused on the downsizing phenomenon. Since there have been few efforts to integrate the literature relevant to downsizing, an attempt will be made to examine the topic from a broad perspective by balancing the extensive body of practitioner literature with what appears to be relevant theoretical and empirical research.

This chapter will summarize and organize the literature according to the theoretical framework presented in Figure 1. This framework is adapted from the stress-strain model of the organizational stress literature. The four components of this model include: (1) the objective dimensions of downsizing, (2) employees' subjective interpretations of downsizing events, (3) employees' responses to downsizing, and (4) individual difference variables. First, the objective dimensions of work force reductions and their effect on employees' perceptions of the downsizing events are discussed. Second, employees' subjective interpretations of downsizing events and their influence on attitudinal and behavioral responses are addressed. Third, factors suggested to moderate the relationship between the downsizing and employee responses are presented. Finally, the major findings of this literature review are summarized.

Objective Dimensions of Downsizing

Most of the discussion regarding the objective dimensions of downsizing may be found in the extensive body of practitioner literature. Frequently discussed topics include the downside of downsizing, alternatives to downsizing, the rationale for downsizing, strategic downsizing, downsizing planning, downsizing methods, and downsizing implementation. Since practitioners generally agree that most of the individual and organizational outcomes associated with downsizing are dysfunctional in nature, they usually recommend that management resort to downsizing only as a last cost-cutting alternative. In the event that the organization elects to downsize, there are numerous prescriptive articles to guide management through planning and implementing the downsizing program. To support their recommendations, practitioners have used case studies or industry surveys to illustrate poorly planned and implemented downsizing programs. Although much of the practitioner literature on downsizing is intuitively appealing, there has been little theoretical and empirical research to test the suggested relationships between downsizing and individual and organizational level responses.

From an academic perspective, researchers have called for future studies of employees' reactions to downsizing to include measures of the objective dimensions of downsizing (Greenhalgh and Rosenblatt, 1984; Jick, 1985; Brockner, 1988). The crisis-management literature of organizational stress has provided a broad theoretical framework that appears relevant to examining employee reactions to work force reductions, since a downsizing environment may often be characterized by objective properties that are similar to a crisis situation (Jick and Murray, 1982; Murray and Jick, 1985). According to Hermann (1963), an organizational crisis may be characterized by its objective dimensions of severity and time pressure. Thus, in terms of a downsizing, a 20 percent work force reduction required within a two month time period would represent a greater organizational crisis than a five percent cut required over a one year period. Using theoretical frameworks of crisis-like events, Hermann (1963) and Fink, Beak, and Taddo (1971) posited that employees would likely react to the objective properties of organizational crisis by reduced productivity, increased absenteeism, higher sickness rate, increased turnover, reduced morale and increased job dissatisfaction.

Based on Hermann's (1963) severity and time pressure dimensions, Jick and Murray (1982) developed a typology of four objective crisis characteristics associated with budget cutbacks: 1) unanticipated major cuts (the "big bomb"); 2) anticipated major cuts

(the "time bomb"); 3) unanticipated minor cuts (the "short-fused firecracker"); and 4) anticipated minor cuts (the "long-fused firecracker"). Using an organizational stress theoretical framework, Jick (1985) proposed several objective dimensions of budget cutbacks that appear to a downsizing environment. These objective properties include: 1) the severity and frequency of the reductions, 2) the extent of management assurances regarding job security, 3) the downsizing methods used, 4) the selection criteria used to determine which employees will be affected by the downsizing, and 5) task-related changes. Sutton and D'Aunno (1989) proposed that employee anxiety levels are dependent on the severity of the downsizing and the downsizing implementation tactics. Layoffs are considered the most threatening of the downsizing methods, and employees may perceive the organization's downsizing implementation tactics as unfair, unfavorable, or uncontrollable.

Using an equity theory framework from the literature on interpersonal and organizational justice, Brockner (1992) posited that layoffs may elicit numerous questions from survivors (i.e., those employees remaining in the organization) concerning the fair and equitable treatment of the laid off victims. A number of procedural and distributive justice-related issues have been suggested to influence survivors' reactions before, during, and after layoffs (Brockner and Greenberg, 1990; Brockner, 1990). According to Brockner (1992), these fairness-related concerns are associated with the manner in which management handles the layoff process. He suggests that a number of objective dimensions of layoffs may elicit in survivors numerous questions about fair and equitable treatment, such as: (1) the relevance of the selection criteria or decision rule in determining who will be laid off; (2) the formal communication from management; (3) the amount of advance notification provided to laid off victims; and (4) the extent of "caretaking" services provided by the organization to the laid off workers.

The practitioner and academic literature have been integrated to develop a set of objective dimensions that appear relevant to employees' reactions to downsizing. These properties include the alternatives to downsizing, the downsizing method, downsizing implementation, and the severity and frequency of the downsizing. These objective dimensions of downsizing and their relationships with relevant variables are discussed in the following paragraphs.

Alternatives to downsizing

According to McCune, Beatty, and Montagno (1988), the need to for an organization to reduce operating expenses is a necessary but insufficient reason to downsize. Since downsizing represents only one cost reduction strategy, practitioners have called for organizations to carefully compare the costs and benefits of downsizing with other feasible cost-cutting alternatives. Long-term employment practices or human resource "buffers" are considered the most attractive downsizing alternative. Externalized forms of employment such as employee leasing, temporary help services, or contract services serve as a buffer to protect the employment security of the core or permanent work force (Pfeffer and Baron, 1988). The costs associated with externalized forms of employment are suggested to be less than the costs of downsizing, while employees are suggested to have more initiative and innovativeness (Stearns and Blazey, 1989). Other buffers to protect the core work force include the use of retirees and part-time workers, overtime, the redeployment of surplus employees, retraining workers with obsolete skills, spreading the available work, bringing contracted work back, managing poor performance, hiring employees the organization wants to keep, and integrating career planning with promotion opportunities (Manzini and Gridley, 1986; McCune, Beatty, and Montagno, 1988). These techniques are designed to protect the core work force of exceptional performers, avoid costly work force reductions, and increase employment stability through greater job security.

Practitioners have suggested that organizations that face a more immediate economic threat may not be able to sufficiently reduce costs through long-term employment practices. Thus, management should first consider the reduction of non-personnel costs through planned budget reductions. Non-personnel costs may include product costs, travel expenses, perks, training programs, or capital expenditures. It has been suggested that these cost-cutting measures may prevent the need for a downsizing, and thus, would reduce the potential for the dysfunctional organizational and individual level consequences commonly associated with downsizing. Further, if the organization does downsize and employees perceive that management has carefully considered all possible downsizing alternatives, practitioners have suggested that these employees will likely have more respect and trust in management and be more receptive to the downsizing.

Unfortunately, there have been few studies to compare employees' reactions to downsizing with their reactions to non-downsizing cost-cutting measures (i.e., cutting of only non-personnel costs, etc.). For example, are there significant differences between the

responses of employees in declining organizations that have relied on downsizing alternatives to reduce costs and the responses of employees of declining organizations that have resorted to downsizing as the primary cost-cutting method? In a field study comparing the differences between stable or growing and declining savings and loan organizations, Owyar-Hosseini (1990) found that employees of those organizations that had avoided downsizing over the past three years reported more organizational commitment, less stress, more job security, and less resistance to change than those employees of organizations that had resorted to severe work force reductions over this same time period. However, the different objective dimensions that characterize the environments of growing and declining organizations would appear to decrease the relevance of this study in examining employee reactions to downsizing and downsizing alternatives.

Downsizing methods

If management decides to reduce the work force, they must select a method or methods of downsizing. Practitioners and academics have suggested that survivors' reactions may be influenced by management's choice of downsizing method or methods. From a practitioner perspective, Lehr and Middlebrooks (1984) identified four downsizing methods: 1) early retirement, 2) voluntary resignation inducements, 3) layoffs, and 4) termination. From a theoretical perspective, Greenhalgh, Lawrence, and Sutton (1988) proposed that management may choose from a five-level hierarchy of downsizing methods: 1) natural attrition with a hiring freeze, 2) induced redeployment, such as early retirement, severance pay incentives, or voluntary hour/pay reduction, 3) involuntary redeployment, such as demotions or involuntary hour reductions), 4) layoffs with outplacement assistance, and 5) layoffs without outplacement assistance.

In selecting a downsizing method, Greenhalgh, Lawrence, and Sutton (1988) argued that management must make a trade-off between protecting employee well-being or gaining short-term cost savings for the organization. From the organization's perspective, natural attrition provides the least cost-savings, while the method of layoffs without outplacement assistance provides the greatest cost savings. Conversely, from the individual's perspective, natural attrition provides the least dysfunctional effects, while the method of layoffs without outplacement assistance provides the most negative impact. According to Greenhalgh and Rosenblatt (1984), individual well-being depends on the amount of control the employee has over the continuity of their employment with the

organization. Induced redeployment is voluntary and within the employee's control, while involuntary redeployment is involuntary and within the organization's control.

Based upon the results of the 1990 American Management Association (AMA) Downsizing Survey, Lawrence and Mittman (1990) developed a downsizing typology that separated the responding firms into three groups according to their downsizing methods selected: preventionists (37%), people-pushers (23%), and parachute-packers (40%). "Preventionists" were classified as those organizations that avoided or minimized layoffs during business downturns with the selection of less severe downsizing methods, such as mandated wage reductions/freezes, job sharing, and/or reduced hours. "People pushers" were classified as those organizations that conducted large, across-the-board layoffs of all classes of employees due to job obsolescence resulting from technological advances. Advanced planning of downsizing policies and procedures were designed to deal with these layoffs. "Parachute packers" were classified as those organizations that conducted across-the-board layoffs of exempt personnel. Most layoff victims were provided with generous caretaking services (i.e., extended severance pay/health benefits, outplacement services, etc.). The primary rationale for the layoffs were to increase organizational efficiency.

In a survey of human resource managers of 38 manufacturing firms., McCune, Beatty, and Montagno (1988) noted that layoffs were the most frequently used method to achieve work force reductions. The survey respondents considered using several layoff alternatives, such as reduced work hours, wage cuts, and job sharing. The downsized firms responding to the 1991 AMA Downsizing Survey most frequently used the layoff alternatives of hiring freezes, demotions or transfers, and wage freezes or reductions. Greenhalgh and McKersie (1980) suggested that layoff alternatives are rarely used because management usually does not perceive that there are other downsizing methods available. The relatively low utilization of layoff alternatives may also be attributed to inadequate planning. For example, in their survey of manufacturing firms, McCune, Beatty, and Montagno (1988) reported that 94 percent of the human resource managers in the sample had less than two months to plan and implement the downsizing. Correspondingly, past AMA downsizing surveys indicate that over one-half of the organizations had less than one year to plan for their downsizing (Greenberg, 1990).

Despite the prevalence of layoffs, there does not appear to be a general consensus among practitioners or researchers regarding the definition of layoffs. Cornfield (1983) defines a layoff as "a temporary or permanent termination of an employee from the payroll of an organization, which results from a decline in labor demand (p. 504)." Brockner

(1988) defines a layoff as "a permanent, involuntary separation of individuals from the organization due to the need to cut costs (p.214)." However, Gottschalk (1980) argues that layoffs may be voluntary or involuntary. Lehr and Middlebrooks (1984) differentiates layoffs from terminations by suggesting that layoffs may be temporary or permanent, while terminations are always permanent. Thus, there appears to be a general disagreement regarding the permanent and voluntary nature of layoffs.

Practitioners have generally agreed that the hidden organizational costs of layoffs and terminations outweigh any short-term cost benefits (Perry, 1986; Hardy, 1987). As a result, Perry (1986) suggested that management should avoid layoffs by combining attrition with other least-cost alternatives to layoffs, such as job sharing, leave of absence, work sharing, less paid time off, pay cuts, or performance-based pay. The increase in direct organizational costs associated with layoffs include unemployment taxes, severance pay and benefits, employee exit and hiring administrative process, early retirement, lawsuits from disgruntled employees, and outplacement assistance. Indirect costs of layoffs may include the loss of skills, damage to the morale of survivors, decline in organizational effectiveness, and a tarnished public image. In a cost/benefit analysis of a simulated state institution, Greenhalgh and McKersie (1980) found that the use of attrition was a more cost-effective downsizing method than layoffs.

Brockner (1992) posited that survivors' perceived legitimacy of layoffs should impact their subsequent work-related attitudes and behaviors. He suggested that several factors concerning layoff legitimacy may contribute less unfavorable survivor reactions. First, survivors should perceive that the layoffs are not due to managerial greed or incompetence. Second, if other firms within the organization's reference group are also conducting layoffs, survivors may more readily accept the legitimacy of the layoffs. Third, before employing an involuntary termination strategy, survivors must perceive that management has carefully considered all other layoff alternatives, such as attrition, pay and hour reductions, transfers, and early retirement.

Although work force reductions may be accomplished by methods other than layoffs, most empirical research has focused on the downsizing method of layoffs. This is not surprising, however, due to the consensus that layoffs create more dysfunctional consequences than any other downsizing method. Two field investigations in both the public and private sector reported no dysfunctional shifts in attitudinal or behavioral responses from samples of employees anticipating future layoffs. In a longitudinal investigation of the socio-psychological consequences of the announcement to close naval

shipyards, Zalkind and Despenzieri (1973) reported no initial or longitudinal shift from satisfaction to dissatisfaction among the employee respondents. Hershey (1972) also reported no attitudinal shifts when he conducted an investigation of the impact of anticipated job loss on the work-related behaviors of hourly manufacturing workers from four organizations. The sample was divided among a group of 25 workers who received one month advance notice of their impending layoffs and another group of 25 workers who were to be retained. He found no significant or adverse changes in production efficiency, lateness, and absenteeism in the layoff or no-layoff groups between the three month period prior to the layoff announcement and the one month period following the layoff announcement. There were also no significant differences in production efficiency, absenteeism, and tardiness between the layoff and no-layoff groups.

Two field studies in a post-layoff environment have examined the impact of layoffs on the laid off victims. In an examination of a work force reduction in a large oil refinery, Belzung, Owens, and MacNaughton (1966) reported no significant decline in the attitudes of the lower-level workers who had been laid off. They partially attributed the lack of hostile feelings among the laid off workers to adequate planning and implementation of the layoffs. This included sufficient advanced notification, the establishment of an ad hoc placement office, and the provision of a generous income maintenance program. Gannon Foreman, and Pugh (1973) surveyed a group of engineers who had been laid off by a large government defense contractor with a group of engineers who had survived the layoff. All laid off engineers who were surveyed had been reemployed by other organizations. No significant differences were found on the attitudes of indifference, job involvement, or sense of duty between the layoff victims and the survivors. Since all laid off engineers had found new employment, the authors suggested that the provision of outplacement services for laid off victims mitigated the dysfunctional attitudes that would have resulted if these individuals had faced a more uncertain future.

In a laboratory experiment using an equity theory framework, Brockner, Davy, and Carter (1985) used a random-based layoff condition (experimental group) and a no-layoff condition (control group) to examine the difference in work performance among subjects in the two groups. As hypothesized, the subjects in the layoff condition were significantly more productive on the second task than subjects in the no-layoff condition. Brockner and his associates suggested that these results were due to "survivor guilt" or positive inequity (Adams, 1965; Mowday, 1979), since the subjects in the layoff condition expressed more

guilt toward the layoff victims or felt more sorry for these individuals than did those subjects in the no-layoff condition. Thus, to redress their psychological state of positive inequity, the survivors increased their actual inputs.

In summary, although practitioners and academics generally agree that layoffs are the most severe downsizing method, empirical research has not examined the relationships between employees' reactions to downsizing and managements' choice of a downsizing method or a combination of methods. For example, what single method or combination of methods results in the least dysfunctional individual-level consequences? Is there an optimum mix of downsizing methods that management may use in achieving downsizing objectives? Most empirical investigations have focused on survivors' reactions to the single downsizing method of layoffs and have reported weak support for the dysfunctional attitudinal or behavioral shifts hypothesized to occur among employees anticipating layoffs. In addition, no significant differences were reported between the behaviors of the layoff and no-layoff groups before and after the announcements of impending layoffs. Only in a controlled laboratory setting by Brockner, Davy, and Carter (1985) were significant differences in behavior found between subjects in layoff and no-layoff conditions. However, rather than finding the dysfunctional behavioral shifts suggested by most practitioners and academics, subjects in the layoff condition exhibited greater increases in productivity than those subjects in the no-layoff condition. They used an equity theory framework to support their findings.

Downsizing severity and frequency

According to Cody, Hegemen, and Shanks (1987), downsizing may be approached from a short-term, middle-term, or long-term perspective. The short-term and involuntary approach responds to an immediate organizational crisis by reducing the work force by 30 to 50 percent within a few months. At the other extreme, the long-term and more voluntary approach targets a three to five percent reduction over several years. They suggested that the middle-ground approach, which involves the reduction of 15 to 20 percent of the work force over a two year period, is the most appropriate downsizing approach to improve a firm's operating performance. According to the 1991 AMA downsizing survey, the average percentage of work force reductions among downsizing respondents decreased from 10.9 percent in 1990 to 9.6 percent in 1991. This decrease was attributed to the implementation of less severe reductions in force from those large companies which had engaged in downsizing for the second or third time in recent years. For those organizations, downsizing has become an ongoing corporate activity.

Using an organizational stress framework, several field studies have investigated the individual-level effects of layoff severity, downsizing severity, and downsizing frequency. Layoff severity was measured by the proportion of the work force that was laid off, while downsizing severity was measured by the proportion of the work force that was eliminated through various downsizing methods. Downsizing frequency was measured according to how often the organization had resorted to work force reduction over the study period.

With a sample from four engineering and two marketing organizations, Blonder (1976) compared the work-related attitudinal and behavioral responses of 85 survivors of two organizations that had undergone mild layoffs with those of 86 survivors of four organizations that had undergone more severe layoffs during the prior two year period. Severe layoffs included those situations where over 10 percent of the work force had been laid off during this period. He hypothesized that the more severe the layoffs, the more dysfunctional the attitudinal and behavioral responses of the survivors. Although the results indicated that there was less expressed motivation among employees in situations of more severe layoffs, the differences were much weaker than expected. No significant differences were found in the survivors' attitudes regarding company satisfaction.

Brockner, Grover, and Blonder (1988) used the engineering subsample of Blonder's (1976) study to examine the degree of job involvement of 54 survivors of an organization that had undergone mild layoffs with 51 survivors of those organizations that had undergone more severe layoffs. Mild layoffs included those situations where from two to five percent of the work force had been laid off, while the more severe layoffs were represented by situations where from 25 to 75 percent of the work force had been laid off. The results of a multiple regression analysis revealed that layoff severity was a significant predictor of job involvement in those organizations that had undergone the mild layoffs but not in those organizations that had conducted severe layoffs.

In a field study of eight stable or growing and four declining savings and loan organizations, Owyar-Hosseini (1990) compared the differences in attitudes and behaviors of employees, based on the proportion of work force reductions reported by these organizations during the prior three year period. A one-way analysis of variance was conducted after dividing the sample into six groups, with the proportion of downsizing of the work force ranging from 0 to 57 percent between these groups. The results indicated that respondents from those groups of organizations that had resorted to more severe work force reductions over the past three years reported lower levels of organizational

commitment, less job security, higher levels of stress, and more resistance to change. No significant relationships were reported between the severity of work force reductions and job satisfaction, intention to leave, or work effort. Owyar-Hosseini (1990) also examined the relationship between the frequency of work force reductions and employee perceptions of job security. The organizations were grouped by frequency of cutbacks, resulting in four groups: no cuts, one cut, two cuts, and continuous downsizing. The results of a one-way analysis of variance across the four groups indicated that the more frequently the organization resorted to work force reductions, the lower were the levels of perceived job security among the organizational members.

In summary, the three field studies that examined the individual-level impact of layoff severity, downsizing severity, and downsizing frequency reported mixed results. Employees of organizations undergoing more severe and frequent downsizing efforts reported less organizational commitment, higher levels of stress, less job security, and more resistance to change. Mild layoff conditions, but not the severe layoff conditions, were also a significant predictor of survivors' level of job involvement. No significant differences were found among survivors with respect to company satisfaction, general job satisfaction, intention to leave, and work effort (Blonder, 1976; Owyar-Hosseini, 1990).

Based on the different measurements of downsizing severity used in the three previously discussed field studies, it is not surprising that mixed results were reported. First, two field studies used layoff severity as the independent variable while the third field study used the more general measure of downsizing severity as the independent variable. Second, the proportion of work force reductions defined for the high layoff group conditions in these studies ranged from 10 to 75 percent and the group conditions varied between no layoffs, low layoffs, mild layoffs, and severe layoffs. Third, the effects of the downsizing may have waned over the relatively long two to three year period prior to the survey administration. This also raises the possibility that a number of other non-related and more current organizational conditions may have contributed to the reported significance in these studies.

Downsizing implementation

After management has selected a method or methods of downsizing, they should develop a detailed downsizing implementation program to achieve their downsizing objectives. The topics most frequently addressed in practitioner and academic literature concerning downsizing implementation deal with the objective dimensions of: (1) the

decision rules or selection criteria used to determine which positions or locations will be affected and how they will be affected; (2) the formal communication between management and employees; (3) the advance notification provided to affected employees; and (4) the extent of caretaking services provided to laid off victims. Although these first three of these dimensions are relevant to all downsizing programs, they have been examined only from the perspective of layoffs. The following paragraphs discuss each of these four objective dimensions of the layoff implementation program.

1) Decision rules or selection criteria

If management decides to downsize, they must decide whether to target the reductions at specific positions and locations or impose across-the-board cuts. If the downsizing targets specific positions or locations, then management must establish decision rules or selection criteria to determine which positions will be affected and how those positions will be affected. According to the 1991 AMA Downsizing Survey, over two-thirds of the payroll cuts were targeted at specific functions or individual locations. Prior to 1980, reductions in the work force of corporate America primarily affected blue-collar manufacturing workers (Cornfield, 1983; Kuzmits and Sussman, 1988). However, during the 1980's, it has been estimated that over one million managerial and staff positions were eliminated among U.S. firms (Henkoff, 1990). Mid-level management positions have been significantly affected by recent downsizing efforts. For example, although middle managers make up only five to eight percent of the nation's work force, these positions represented 17 percent of the positions eliminated among downsized firms responding to the 1989 to 1991 AMA downsizing surveys.

Brockner (1992) suggested that managers and administrators should become more cost-conscious during a downsizing, since layoffs of lower-level employees may make survivors more sensitive and perceptive to these concerns. Researchers have suggested that layoffs are usually directed at the lower levels of the organization, as management and support positions are cut more gradually. Freeman and Hannan (1975) revealed that there was a tendency for school systems under long-term payroll cuts to retain administrative personnel while sacrificing non-administrative personnel. Ford (1980a) has also suggested that an organization may increase administrative staff during periods of decline. In a case study of Atari during a period of organizational decline, Sutton, Eisenhardt, and Lucker (1986) reported a top-heavy management structure and the hiring of excessive managers while there were masses of layoffs at the lower levels of the organi-

observed that this resulted in several dysfunctional consequences for the organization. First, cost reduction objectives were not achieved, since the most expensive employees were retained and the least expensive were removed. Second, the inequities resulted in seriously damaged morale among the survivors in lower level positions. Third, there was reduced productivity among managers, since they were responsible for fewer subordinates.

Selection criteria may be used by management to determine who will be affected by transfers, wage or hour reductions, layoffs and other downsizing methods. However, most of the practitioner and academic literature has focused on the selection criteria used when layoffs are selected as the downsizing method. Brockner (1992) suggests that the most common decision rules or selection criteria used to determine who will be laid off include performance, seniority, and function. In their survey of manufacturing firms, McCune, Beatty, and Montagno (1988) revealed that the most prevalent selection criteria used for conducting layoffs was seniority, followed by performance and skill level for performing other jobs. In their case study of Atari, Sutton, Eisenhardt, and Jucker (1986) reported that management lost their credibility when survivors perceived confusion over managements' decisional basis for selecting layoff victims (Sutton, Eisenhardt, and Jucker, 1986). According to Leana and Feldman (1989), if a fair layoff selection criteria is not established and clearly communicated to employees, management becomes vulnerable to legal action from those who are laid off, ill-will from the community, and distrust from the survivors. Brockner (1992) suggests that no specific decision rule is appropriate in all situations, but is more a function of the organization's strategy, history, and culture. Leventhal (1976) argues that the consistency and accuracy of the selection criteria are more important than the actual selection criteria used.

Although random or seniority-based layoffs appear more equitable or easier to implement, these practices fail to distinguish between productive and non-productive employees. Consequently, the most valuable employees may leave the organization (Behn, 1980). The effectiveness of a merit-based selection criteria largely depends on the reliability and validity of the performance appraisal system in distinguishing good from marginal performers. The decision rules used by management to select those who are laid off, transferred, or demoted may be perceived by survivors as unfair if they are not based on relevant performance (Sutton and D'Aunno, 1989). Thus, employees may react with anger toward management if they perceive that selection criteria is based upon an arbitrary or inequitable performance appraisal system (Greenhalgh, Lawrence, and Sutton, 1988). In a case study of laid off workers from large companies, Leana and Feldman (1989)

reported that many of these former employees perceived their terminations to have been arbitrary and capricious or based on age and racial discrimination. They noted that 75 percent of the laid off workers indicated that they had been rated "outstanding" or "excellent" on their last performance appraisal.

There have been few empirical examinations of the relationships between downsizing selection criteria and survivor reactions. In a replication and extension of a previous laboratory experiment, Brockner, Greenberg, Brockner, Bortz, Davy, and Carter (1986) used an equity theory framework to examine survivors' reactions to a random-based layoff condition, a merit-based layoff selection criteria condition, and a no-layoff control condition. They reported that subjects in the random-based layoff condition were significantly more productive on the second task than those individuals in merit-based or no-layoff conditions. No significant differences were found between subjects in the merit-based and no-layoff conditions. Similar to the initial laboratory experiment of Brockner, Davy, and Carter (1985), Brockner, Greenberg, Brockner, Bortz, Davy, and Carter (1986) suggested that increased productivity among subjects in the random-based layoff condition was due to "survivor guilt" or positive inequity (Adams, 1965; Mowday, 1979). They suggested that the subjects in the merit-based condition had no significant productivity increases because they perceived that they had performed more favorably than their counterparts on the first task. Thus, rather than increasing their actual inputs, they justified their positive inequity or survivor guilt by perceiving greater inputs.

In a multi-method analysis, Brockner and his associates examined subjects in a controlled laboratory setting and in the post-layoff environment of nine paper mills (Ichniowski, Brockner, and Davy, 1987). In the laboratory experiment, no differences in work performance were reported between the subjects in the three conditions of merit-based layoffs, seniority-based layoffs, and no-layoffs. In the field setting, Brockner and his associates examined the relationships between layoff severity and the subsequent plant performance of nine paper mills. Random-based layoffs and merit-based layoffs were not present in the field study, since seniority was used as the only selection criteria in these organizations. No differences were found between seniority-based layoffs and no-layoffs with respect to plant performance.

In summary, most of the discussion regarding downsizing selection criteria may be found in industry surveys, case studies, and prescriptive articles in the practitioner literature. The academic literature has focused only on survivors' reactions to layoff selection criteria. However, employees may respond differently to selection criteria when

other downsizing methods are used. For example, do employees respond differently to managements' choice of selection criteria when less severe downsizing methods are used, such as hiring freezes and natural attrition? Brockner and his associates reported mixed results after conducting two laboratory experiments and one field study examining the impact of layoff selection criteria on survivors' subsequent work performance. Only in their initial laboratory experiment did they find significant differences in the work performance of the subjects in the different conditions of random-based, merit-based, and no-layoffs. As hypothesized, subjects in the random-based layoff condition had greater increases in productivity than subjects in the merit-based or no-layoff conditions, and subjects in the merit-based and no-layoff conditions had similar responses. Similar to their first experiment, they used equity theory to support their results. Their subsequent multi-method study showed no significant differences in the work performance of subjects in the merit-based, seniority-based, or no-layoff conditions.

2) Communication from management

In their theoretical framework of job insecurity, Greenhalgh and Rosenblatt (1984) posited that the information sources of employees' job insecurity in a downsizing environment include communication from intended organizational messages such as official announcements, unintended organizational clues (i.e., the reduction of the maintenance budget), and rumors. Greenhalgh (1983a) suggests that employees' perceived level of job insecurity is influenced by: 1) the interpretation of the messages concerning the downsizing, 2) the extent of formal versus informal sources conveying information concerning the downsizing and 3) the organizational climate. According to Greenhalgh (1983a), employees' perceived job insecurity will be higher to the extent that there are few official or formal announcements and a more authoritarian organizational climate.

Empirical research has illustrated the strength of rumors in influencing employee perceptions of job insecurity and the fairness of management's handling of the downsizing. In a field study examining the perceived job security of employees of a shrinking hospital system, Greenhalgh (1979) reported that both actual and rumored layoffs left employees with feelings of job insecurity, which led to reduced work efforts and decreased organizational commitment. Using an equity theory framework, Brockner, Grover, Reed, DeWitt, and O'Malley (1987) found that survivors in the post-layoff environment of a retail chain perceived the fairness of the organization's caretaking services for laid off victims to be quite variable, despite the fact that the organization offered basically the same provisions

to all laid-off workers. The researchers suggested that these distorted perceptions may have been due to the various rumors that resulted from the lack of formal communication from management regarding the downsizing program. Brockner and his associates also described a recent situation of a poorly implemented communication program where a number of laid off workers revealed that they first learned about the impending layoffs over the radio while they were driving home from work (Brockner, Tyler, and Cooper-Schneider, 1992).

Two important messages that researchers suggest top management should convey to employees are assurances of future job security and the rationale for the downsizing. The extent of management assurances of job security is posited to reduce their survivors' job insecurity and result in more positive (or least negative) work-related attitudes and behaviors (Greenhalgh, 1982; Jick, 1985; Brockner, 1992). Recent empirical investigations have also found that individuals are more inclined to accept resource allocation decisions as more equitable if they have been provided with clear and adequate explanations of the basis underlying those decisions (Bies, 1987; Tyler and Bies, 1990). The content of the explanation may provide evidence that the decision maker has acted in a fair and reasonable manner. This also symbolizes that the organization sincerely cares about its employees.

In a laboratory experiment, Rousseau and Anton (1988) provided subjects with hypothetical scenarios in which the target person had been laid off and found that the subjects rated the layoff as less unfair when the organization provided a clear explanation of the reasons for the layoff. Similarly, in a field study exploring survivors' reactions to the layoffs of co-workers of a national retail chain, Brockner, DeWitt, Grover, and Reed (1990) found that the the more clearly management explained the rationale for the layoffs, the greater survivors' increase in organizational commitment. In a multiple regression analysis, they found that the clarity of managerial accounts of the layoffs was a significant predictor of organizational commitment. However, even with the clear explanations from management, organizational commitment did not increase significantly when survivors': (1) perceived the layoffs as avoidable, (2) perceived the selection criteria as unfair , (3) perceived that another wave of layoffs was likely to recur, (4) perceived the organization's caretaking services for layoff victims to be inadequate, and (5) had prior personal or professional attachments with layoff victims. Although the accounts variable was

significantly correlated with work effort (positively related) and turnover intention (negatively correlated), it was not related to these dependent variables in the regression analysis.

Greenhalgh (1983a) stated that a more participative organizational climate during a downsizing period will reduce the potential for dysfunctional consequences. Researchers have posited that during periods of organizational change, it is especially important for management to involve lower-level employees in the decision-making process if they are to be sufficiently committed to making the change effective (Schefflen, Lawler, and Hackman, 1971). Research has revealed that employees who are provided the opportunity to work with management to cope with organizational stress tend to be more effective and have higher organizational identification (Hall and Lawler, 1970). For example, prior to downsizing, management may consult with all employees on how to most appropriately reduce costs. This may provide creative solutions that reduce the likelihood of layoffs. Further, even if layoffs are implemented, survivors are more likely to view them as fair. In interviews with the research professional staff of organizations undergoing work force reductions, Hall and Mansfield (1971) reported that the respondents had presented many ideas to management on how to reduce expenses and raise funds, even though management did not solicit these ideas. However, the managers assumed that the professionals were primarily interested in their jobs and preferred not to be bothered with assisting the organization in coping with its financial stress.

In general, researchers have argued that carefully planned and implemented formal communication program should reduce survivors' perceptions of job insecurity and provide them with a more favorable view of the fairness of layoff procedures. The communication should include: (1) careful planning and implementation, (2) management assurances regarding future job security, (3) a clear explanation of rationale for the layoffs, and (4) management consultation with lower-level employees in the development and implementation of cost-cutting or revenue enhancement ideas. The clarity of accounts variable has been the only objective measure used in prior empirical research. Using a procedural justice theoretical framework, Rousseau and Anton (1988) conducted a laboratory experiment and found that subjects perceived the layoffs as more fair when the reasons for the layoffs were explained to them. In the context of the post-layoff environment of a national retail chain, Brockner, DeWitt, Grover, and Reed (1990) reported that survivors' level of organizational commitment increased when management explained the reasons for the layoffs.

3) Advance notification

Management has historically been opposed to providing advance notification to layoff victims because they fear that if employees know of impending job cuts, they will be less productive, steal whatever is available, commit acts of sabotage, or leave before the organization is ready to dismiss them (Harrison, 1984; Greenhalgh and McKersie, 1980). The 1988 AMA Downsizing Survey reported that 50 percent of the downsized firms provided advance notification of two weeks or less to layoff victims, while the other 50 percent of the firms provided no advance notice (Greenberg, 1988). Feldman and Leana (1989) indicated that most of their laid off workers in their study received either no advance notice or less than one week's warning. In their case study at Atari, Sutton, Eisenhardt, and Jucker (1986) similarly observed that hourly employees at Atari who were selected to receive a "RIF" (reduction in force) notice were dismissed with no advance notification. Proponents of the federally enacted plant closing law suggested that sufficient advance notice would imply fair and humane treatment of layoff victims. The plant closing law requires that employees are provided with at least 60 days advance notice in the case of plant closings or large-scale layoffs.

The results of several field studies have raised questions about managements' common practice of providing minimal or no advance notice to laid off workers. Belzung, Owens, and MacNaughton (1966) reported that the hostile feelings of lower-level laid off workers of a large oil refinery organization were reduced by careful planning and advance notification of layoffs. In a study of hourly manufacturing workers from four organizations, Hershey (1972) investigated the differences in the employee work-related behaviors of productivity, absenteeism, and tardiness between a group of employees who were given a one month advance notice of their impending layoffs and another group of employees not involved in the layoffs. No significant differences were reported in the behaviors among the group anticipating layoffs and the no-layoff group. Further, there were no adverse behavioral effects reported for either group from the time of the layoff announcement to the time of the actual layoffs. The researchers suggested that the sufficient advance notification provided to the laid off victims created more positive (or least negative) reactions from both the laid off victims and the survivors.

Authors in practitioner literature, legislators, and academics have argued that if management would provide sufficient advance notification to laid off victims there would be less dysfunctional consequences from both the individual and organizational perspective. Since the advance notification variable was not used in the two previously

discussed field studies, the relationship between this objective variable and survivors' reactions remains tenuous at best. For example, the lack of an adverse shift in employee attitudes and behaviors may have been the result of numerous other confounding events that occurred during the downsizing period. There remains a number of unanswered research questions regarding the advance notification variable, such as: (1) Is there a difference between survivors' reactions in organizations that provide advance notice to laid off victims and survivors' reactions in organizations that provide no advance notice?; (2) Does the length of advance notice elicit different survivor reactions?; and, (3) What is the optimum length of advance notification necessary to ensure the least dysfunctional individual and organizational consequences? Based on the limited knowledge regarding the provision of advance notification, it is not clear to what extent organizations should bridge the gap between their advance notification policies and the more generous policies called for by legislators, academics, and practitioner authors.

Although advance notice in the context of a downsizing environment is usually associated with laid off victims, it would appear that advance notice may also be a factor in organizations that do not resort to layoffs as a downsizing method. For example, are employees provided with sufficient advance notice with respect to involuntary transfers, pay cuts, hour reductions? The length of advance notice provided to employees about the downsizing, particularly those that will be directly affected by resulting organizational changes, may influence their reactions to the downsizing. As previously discussed, this time dimension has been posited to be an objective property of organizations undergoing budget cutbacks and downsizing (Hermann, 1963; Jick and Murray, 1982; Murray and Jick, 1985).

4) Extent of caretaking services

The practitioner literature suggests that the extent of "caretaking" services provided to laid off victims may affect the perceptions of fairness of the layoffs by the laid off victims, the survivors, and the community. Tangible forms of caretaking services to layoff victims include outplacement services, severance pay, extended health benefits, and retraining assistance. Outplacement services are considered to be a series of services that an organization provides to terminated employees in order to minimize the period of unemployment following termination (Scherba, 1973). These services include resume

preparation, workshops, interview coaching, job search workshops, career counseling services, direct placement/relocation assistance, office space, telephones, and secretarial help.

In their survey of manufacturing firms that had undergone a downsizing, McCune, Beatty, and Montagno (1988) reported that only 36 percent of the organizations provided outplacement services. The 1991 AMA Downsizing Survey reported that 35 percent of the responding downsized firms offered outplacement services to all discharged workers, while an additional 32 percent helped at least some of the laid off workers. Feldman and Leana (1989) indicated that only about 20 percent of their laid off survey respondents received outplacement assistance, and these services were primarily provided to white-collar employees. Correspondingly, the 1991 AMA Downsizing Survey reported that almost two-thirds of the downsized firms provided outplacement assistance to discharged managers, while 44 percent of these organizations provided assistance to discharged hourly workers. In their case study of organizational decline at Atari, Sutton, Eisenhardt, and Jucker (1986) reported that only modest attempts were made to help laid off victims find new jobs or deal with the trauma associated with layoffs (Sutton, Eisenhardt, and Jucker, 1986). In addition, there was little coordination among the departments of the organization to evaluate the possibilities of inter-company transfers.

The extension of severance pay and health benefits are less common than the use of outplacement services as a caretaking service. The 1991 AMA downsizing survey indicated that only 28 percent of the downsized firms provided extended severance packages and only 26 percent offered extended health benefits to all departed workers. Feldman and Leana (1989) revealed that about one-third of the laid-off workers in their sample received extended financial assistance. Similar to outplacement services, firms have primarily offered severance pay and extended benefits to white-collar workers.

An even less frequently used caretaking service is the retraining of displaced workers. Unlike outplacement services and extended severance pay/benefits, companies have usually focused retraining assistance on displaced blue-collar workers (Leana and Feldman, 1989). However, relatively few corporations have initiated retraining programs on their own (Leana and Feldman, 1988). Instead, most retraining of laid-off workers is conducted with financial assistance from the Federal government (Leana and Ivancevich, 1987). In a recent study, Feldman and Leana (1989) note that less than 25 percent of the laid off workers received any retraining assistance from their companies.

In a field study of a work force reductions in a large oil refinery, Belzung, Owens, and MacNaughton (1966) reported that the hostile feelings of laid off workers from the lower levels of the organization were reduced by providing an ad hoc placement office and a generous income maintenance program. Gannon Foreman, and Pugh (1973) argued that employees of a professional status, unlike these lower-level employees, would develop negative work attitudes, irrespective of the extent of caretaking services provided to layoff victims. During the second round of layoffs of a government defense contractor, they compared a group of engineers who had been laid off (and had found new employment) with a group of engineers who had survived the layoff. However, they found no significant differences between the attitudes of indifference, job involvement, and sense of duty between the layoff victims and the survivors. Since all laid off engineers had found new employment, they posited that the provision of outplacement services for layoff victims may mitigate the dysfunctional organizational consequences that could result when layoff victims face an uncertain future.

Using an theoretical framework from the equity-based literature on interpersonal and organizational justice, Brockner and his colleagues conducted a multi-method study to examine survivors' reactions to the caretaking services provided to laid off victims (Brockner, Grover, Reed, DeWitt, and O'Malley, 1987). Based on Heiders' (1958) "balance theory" and Deutch's (1985) "scope of justice" perspectives, they found support for their hypothesis that survivors would react most negatively from an organizational perspective (i.e., decreased productivity or reduced organizational commitment) when they perceived that layoff victims were dismissed with little or no severance pay and when survivors had a relatively strong sense of prior identification with the laid off victim. They found support for this hypothesis in both a controlled laboratory setting and a post-layoff environment of a national retail chain. However, no significant differences were found among subjects in the compensated and uncompensated layoff conditions when subjects reported a low prior sense of identification with the laid off victim. Thus, the mere presence of generous severance pay or a poor severance pay was not a significant predictor of organizational commitment.

In summary, similar to advance notification, both practitioner and academic literature convey that organizations and individuals are best served when firms provide laid off victims with generous caretaking services. However, as illustrated in case studies and recent industry surveys, there is a wide discrepancy between these recommendations and actual organizational practices. Two field studies have inferred that layoff victims and

survivors did not exhibit dysfunctional shifts in attitudes when organizations provided generous caretaking activities to laid off victims. However, a caretaking services variable was not included in either of these studies. Further, since the laid off workers in one study were surveyed after they had been reemployed, their negative attitudes toward the layoff are likely to have waned over time. Only in the multi-method study by Brockner and his associates was the caretaking services variable used. However, they found that the extent of caretaking services alone did not account for significant differences in the attitudes and behaviors of the survivors. This study illustrates that the relationships between the extent of caretaking services and survivor reactions may be more complex than suggested, as other moderating factors may largely influence the significance of these relationships.

Subjective Interpretations of Downsizing

Organizational stress researchers have suggested that an individual's subjective interpretations of their work environment may differ from the "objective" properties of that environment (Billings, Millburn, and Schaalman, 1980; Whetten, 1980a,b; Ford, 1980b; Jick, 1985). Based on an organizational stress framework, Jick (1985) posited that the subjective stressors associated with budget cutbacks should be stronger determinants of individual-level responses than the objective properties of budget cutbacks. He also argued that employees' subjective interpretations of budget cutbacks would lead to different individual-level response patterns than those responses associated with the objective dimensions of budget cutbacks. Since downsizing represents a common method used to achieve budget cutbacks, employees' reactions to downsizing events may be more significantly influenced by their subjective interpretations of those events than by the objective changes that actually occur in this work environment (Brockner, 1992).

In contrast to the dominance of practitioner literature concerning the objective dimensions of downsizing, most of the literature associated with employees' subjective interpretations of downsizing events may be found in the academic literature. Organizational researchers have drawn from the literatures of organizational stress and interpersonal/organizational justice to provide theoretical frameworks for developing and testing hypotheses related to employees' perceptions of downsizing events. Researchers

have generally hypothesized that employees of organizations undergoing budget cutbacks or work force reductions will report greater levels of experienced stress in the forms of job insecurity, role ambiguity, and role conflict.

In the following sections, theoretical and empirical research concerning employees' subjective interpretations of downsizing events and their attitudinal and behavioral responses will be discussed. Since the relationships between the objective dimensions of downsizing and employees' perceptions of fairness were discussed in the first section of this chapter, this section will focus on the organizational stress literature that is relevant to employees' subjective interpretations of downsizing events.

Organizational stress framework

Since the downsizing environment is considered to be quite stressful (Jick, 1985; McGrath, 1976), researchers have called for future investigations to draw upon the literature of organizational stress to examine the work-related stress factors related to employees' reactions to downsizing (Brockner, Grover, and Blonder, 1988). Beehr and Newman (1978) define job stress as "...a situation wherein job-related factors interact with a worker to change (i.e., disrupt or enhance) his or her psychological and/or physiological condition such that the person (i.e., mind-body) is forced to deviate from normal functioning " (p. 669). Researchers have generally agreed that job-related stress is associated with a number of dysfunctional individual-level behavioral and attitudinal responses (Beehr and Newman, 1978; Schuler, 1980). Empirical investigations have generally reported that experienced stress is positively related to absenteeism and turnover and negatively related to job performance, job satisfaction and organizational commitment (Beehr and Newman, 1978; Parasuraman and Alutto, 1984).

Historically, practitioners and researchers have focused on the stressful effects of downsizing on laid off victims, with little attention given to the survivors of layoffs (Greenhalgh, 1983b; Brockner, 1988). Based on empirical research concerning involuntary job loss, the stress-produced effects of job insecurity have been reported to be similar to that associated with involuntary job loss. For example, Depolo and Sarchielli (1987) found no differences in emotional well-being between laid off workers and survivors of an organization that was undergoing a downsizing. They found that the level of emotional well-being was extremely low in both groups. In a longitudinal study of job loss, Cobb and Kasl (1977) reported that workers anticipating job loss reported greater levels of stress than when they actually lost their jobs.

McGrath (1976) hypothesized that perceived uncertainty about the future is a critical determinant of an individual's reaction to a source of stress. In a proposed causal model of the individual-level effects of budget cutbacks, Jick (1985) stated that the subjectively experienced stress and uncertainty surrounding budget cuts will result in employee perceptions of job insecurity, role ambiguity, role overload, underutilization of skills, impeded work performance, fewer extrinsic/intrinsic rewards, and unclear or shrinking promotional opportunities. For example, employees of organizations undergoing cutbacks may report increased levels of job insecurity, due to fears regarding the future uncertainty of job outcomes such as job loss, demotions, pay cuts, or involuntary transfer (Sutton and D'Aunno, 1989). As a result, they may become frozen by the stress created by this uncertainty (Greenhalgh, 1983a).

Several field studies have used the organizational stress theoretical framework to investigate employee responses to the external stress imposed by fiscal crises. Although these studies did not specifically focus on employees' reactions to downsizing, work force reductions were one of managements' responses to cope with the fiscal crises. In an empirical study of employees of three research and development organizations, Hall and Mansfield (1971) used both longitudinal and independent sample data to examine changes in organizational and individual responses to environmental stress at the beginning and end of a 20-month period. Environmental stress was represented by a marked decrease in the financial resources available to the organizations. Although one of the firms responded to this external stress with a small number of layoffs, work force reductions were primarily achieved through natural attrition. The results indicated that the researchers' perceptions of their organizations and their jobs decreased significantly, but little change was reported in their self-image or attitudes toward their work. The researchers viewed their organizations as less competent and less supportive, and they perceived their jobs to provide less pay, reduced promotional opportunities, and fewer rewarding experiences. No significant decreases were reported in the researchers' job involvement, self-image, aspiration levels, performance, effort, or intrinsic motivation.

Using a stress-strain model developed by Caplan, Cobb, French, Harrison, and Pinneau (1975), Jick (1979) conducted a longitudinal examination of a merger between two state hospitals. The merger and subsequent work force reductions occurred as part of budgetary cutbacks that were implemented in response to a fiscal crisis. In a multiple regression analysis, he reported that the two objective stressors were significant predictors of the three subjective stressors. The objective stressors were work-related changes and

hospital site, while the subjective stressors were perceived job insecurity, general uncertainty about the future, and attitudes toward the merger. The objective stressors, particularly work-related changes, were significant predictors of the strains of propensity to leave, resistance to change, morale, and organizational climate. However, the objective stressors explained consistently less variance in the strains (except for propensity to quit) than the subjective stressors. The subjective stressors were significant predictors of morale, organizational pride, propensity to leave, resistance to change, organizational climate, and job satisfaction.

In a longitudinal research study of six Canadian hospitals that faced underfunding over a five year period (1977-1982), Murray and Jick (1985) used an integrative approach to evaluate the basic elements of organizational responses to decline: (1) the problem definition decision process, (2) substantive decisions, (3) the implementation process, and (4) outcomes. Since long-term and moderate budget cutbacks were implemented, most of the work force reductions were achieved through natural attrition. When natural attrition was not used, notification and preparation for layoffs went through regular channels, since no single area was affected by large numbers of layoffs. No significant increases were reported in the rates of turnover, absenteeism, grievances, or strikes that related to the budget cutbacks. A gradual, but insignificant, decline in morale was reported.

In summary, the field setting of these studies included organizations that used less severe downsizing methods to achieve targeted budget cutbacks. Since few layoffs occurred, it was not surprising that there were non-significant or mixed results reported with respect to changes employee attitudes or behaviors. One or more of these studies, however, did report the following significant changes in employee responses: (1) more negative employee perceptions of their organization or management ; (2) non-supportive attitudes toward the merger; (3) objective or perceived changes in specific job features; (4) increased levels of perceived job insecurity and general uncertainty about the future; (5) more resistance to change; (6) decreased organizational commitment; and (7) increased propensity to quit.

Perceived job insecurity

Researchers have suggested that employees and organizations enter into an implied psychological contract in which it is clear what each will give and receive (Schein, 1980). It has been hypothesized that employees decide to give an organization their commitment or continued efforts on the basis of what the firm provides them (Eisenberger, Huntington,

Hutchinson, and Sowa, 1986; Steers, 1977). Since a secure job is considered an organizational inducement (March & Simon, 1958), perceptions of reduced job security are viewed as an abrogation of the psychological contract and result in an imbalance of this exchange relationship (Greenhalgh, 1983b). As a result, employees will attempt to restore this imbalance by reducing their willingness to continue to participate or by reducing their contributions, such as job involvement, productivity, or organizational commitment. The reluctant participant, or "psychological quit" (March and Simon, 1958; Quinn, 1973), would contribute their perceived lower bound representing the minimum contribution necessary to avoid dismissal.

At paternalistic organizations, employment security is considered to be an integral part of the corporate culture. Most organizations that had committed to a long established policy of employment security have recently resorted to large-scale and involuntary separations, while other large corporations are finding it increasingly difficult to maintain their employment security commitment in the face of declining market share and continued financial losses. Brockner (1992) suggested that downsizing may be perceived more unfair by survivors of traditionally paternalistic organizations that had committed to a long established policy of employment security. In these situations, survivors may perceive that the organization has broken its implied psychological contract.

Greenhalgh and Rosenblatt (1984) have defined job insecurity as a "perceived powerlessness to maintain desired continuity in a threatened job situation" (p. 438). They hypothesized that perceived job insecurity is a function of the perceived severity of the threat of future job loss and the perceived degree of control over that threat. The severity of the threat of future job loss is dependent on whether the individual perceives the threat of job loss or the loss of valued job features. This may include reduced promotional opportunities, decreased income stream, loss of status/self-esteem, or reduced autonomy. However, the perceived loss of job features does not pose as severe a threat as perceived job loss.

Greenhalgh and Rosenblatt (1984) stated that an employees' perceived degree of control may be influenced by such factors as: 1) the degree of protection from unions, seniority systems, or labor contracts, (2) the degree of understanding as to what is necessary to maintain status of job and what corrective action is necessary to avert the perceived threat of job loss or the loss of job features, (3) the extent to which the organization climate is perceived as authoritarian or participative, and (4) the employees' beliefs about the dismissal standard operating procedures. Thus, layoffs and other

involuntary downsizing methods should elicit less feelings of control among survivors, while natural attrition and other voluntary downsizing methods would provide employees with a greater sense of control (Sutton and D'Aunno, 1989).

Based on the work of Greenhalgh and Rosenblatt (1984), Ashford, Lee, and Bobko (1989) recently developed the Job Insecurity Scale (JIS) to serve as a more global measure of the perceived job insecurity construct. Their measure includes five components: (1) the importance of job features; (2) the threat to job features' continuation; (3) the importance of the total job; (4) the threat of changes of the total job; and (5) the powerlessness to prevent a job loss. In a test of this scale among a diverse sample of respondents, Ashford, Lee, and Bobko (1989) reported that organizational changes, role ambiguity, and external locus of control were all associated with increased job insecurity. However, role conflict was unrelated to job insecurity. They also found that job insecurity was associated with declines in organizational commitment, trust in an organization, and job satisfaction and with an increase in intentions to quit.

Perceived job insecurity may be expressed through such feelings as anxiety and worry about future job loss (Staw, Sandelands, and Dutton, 1981; Brockner, Grover, and Blonder, 1988; Greenhalgh & Jick, 1982; Sutton and D'Aunno, 1989). Sutton and D'Aunno (1989) hypothesize that employee worry and anxiety about future job loss will decrease over time at a rate dependent on the perceived uncertainty associated with the objective dimensions of work force reductions, such as the severity of the downsizing and the perceived fairness of the downsizing implementation tactics. Survivors may also feel glad, lucky, or relieved to have narrowly avoided job loss (Sutton and D'Aunno, 1989; Brockner, Davy, and Carter, 1985; Brockner, Greenberg, Brockner, Bortz, Davy, and Carter, 1986; Greenhalgh, 1982).

Although the subject of employment security has taken on considerable importance in organizations in both the public and private sector, the topic of job insecurity has received little research attention (Greenhalgh and Rosenblatt, 1984; Greenhalgh, McKersie, and Gilkey, 1986; Greenhalgh, 1983a; Jick, 1985; Hartley and Klandermans, 1987). Greenhalgh (1983b) also argued that since perceived job insecurity usually appears as a component of a unitary global variable of job satisfaction, the content validity of this construct must be questioned. In addition, the construct has demonstrated limited explanatory power due to its use in the context of stable organizations where the construct

has low salience. Due to the importance of employment stability to organizations, understanding the objective dimensions of downsizing that influence job insecurity will provide a basis for preventive programs (Ashford, Lee, and Bobko, 1989).

A number of empirical investigations have been conducted to examine the relationships between the constructs of job insecurity or job security and employees' subsequent attitudinal and behavioral responses. Perceived job insecurity has been hypothesized to have a negative relationship with organizational commitment, job satisfaction, job involvement, work effort, and performance, while a negative relationship has been posited to exist between perceived job insecurity and intention to quit, resistance to change, and voluntary turnover. Although most of these studies did not specifically examine employees' responses to downsizing, most of these studies did occur in the context of a downsizing environment. The job security or job insecurity correlates and results of these studies are presented in the following paragraphs.

1) Job involvement

Job involvement, which represents an employee's psychological identification with his/her work (Lodahl and Kejner, 1965), has been reported as an insignificant correlate of job insecurity in two prior field studies. Hall and Mansfield (1971) reported that budget cutbacks did not reduce the level of job involvement among a group of researchers in several research and development organizations. In a study of a declining hospital system, Greenhalgh (1979) found a positive but insignificant correlation between job security and job involvement. Hall and Mansfield (1971) suggested that the job involvement construct may represent more a personality trait than an attitude, a possibility which has also been suggested by a number of other researchers (Lodahl and Kejner, 1965; Lawler and Hall, 1970; Rabinowitz and Hall, 1977; Schwartz, 1980). If job involvement is considered a personal characteristic, it may change little during periods of organizational stress, such as work force reductions.

2) Organizational commitment and job satisfaction

Perceptions of job insecurity may threaten the affective and attitudinal attachments to a firm, such as commitment and satisfaction (Ashford, Lee, and Bobko, 1989). Rousseau (1989) suggested the implied psychological contract between an employer and an employee includes the expectation and desire that the organization will provide the employee with job security in return for their commitment to the organization. Feelings of

job insecurity may reflect an employee's perception that the organization has abrogated this psychological contract because of their potential loss of important job features or the job itself. Thus, employees of a downsizing organization may adjust their psychological contracts by reducing their commitment or loyalty to the organization (Romzek, 1985)

A number of empirical examinations have reported strong support for the hypothesized relationships between organizational commitment or job satisfaction and perceived job security or job insecurity. In a study of research and development professionals of organizations that had undergone mild or severe downsizings, Hall and Mansfield (1971) found a positive relationship between perceived job insecurity and organizational identification. In their studies of hospital workers from a downsizing hospital organization, Greenhalgh (1979) found a positive and significant relationship between job security and organizational identification, while Jick (1979) reported that employees with higher levels of perceived job insecurity exhibited lower morale and organizational pride than did their more job secure counterparts. Using their new Job Insecurity Scale (JIS) among a diversified sample of employees, Ashford, Lee, and Bobko (1989) reported that perceived job insecurity led to reduced organizational commitment, reduced trust in the organization, and decreased job satisfaction. In his field study of employees of a number of savings and loan organizations, Owyar-Hosseini (1990) reported that job security was significantly higher among employees of organizations that resorted to less severe work force reductions. He also reported that job security was significantly and positively related to job satisfaction and organizational commitment.

3) Resistance to change

Several empirical investigations have supported the negative relationship between job security and the resistance to change. Fox and Staw (1979) reported that subjects of a laboratory experiment became more committed to a previously chosen course of action as job security decreased. Similarly, in a field study examining the effects of downsizing on the employees of a number of savings and loan organizations, Owyar-Hosseini (1990) reported that perceptions of job security were significantly and negatively related to resistance to change. In his study of a shrinking hospital system, Greenhalgh (1979) also found a significant and negative correlation between job security and resistance to change.

4) Work effort

In a replication and extension of an earlier laboratory experiment, Brockner and his colleagues used an organizational stress framework to examine the impact of layoffs that were or were not accompanied by assurances of job security (Brockner, O'Malley, Grover, Esoki, Glynn, and Lazauides, 1987). As hypothesized, they found that subjects in the job insecurity accompanied layoff condition exhibited less productivity increases than did their counterparts in the no-layoff or job security accompanied conditions. They posited that subjects reduced their work efforts due to their perceived job insecurity, since they reported affective states of anxiety and worry. They suggested that these affective states may reflect the heightened levels of stress-produced job insecurity among employees, due to increased competition for fewer positions.

Several field studies in the context of downsizing environments have reported mixed results with respect to the relationship between perceived job insecurity and work effort. In his study of a declining hospital system, Greenhalgh (1979) found that self-reports of work effort were positively and significantly correlated with job security. However, in his comparison of individual-level responses of employees from growing and declining savings and loan organizations, Owyar-Hosseini (1990) reported that job security was not a significant predictor of job effort. In an examination of survivors of a national retail chain that had closed many stores in the prior 12 months, Brockner, Grover, Reed, & Dewitt (1992) reported that moderate levels of job insecurity led to a greater increase in work effort than did low job insecurity or high job insecurity. This relationship between job insecurity and change in work effort was shaped in a non-linear, inverted-U fashion. The researchers suggested that survivors with low levels of perceived job insecurity are unmotivated due to feelings of complacency, while survivors with high levels of perceived job insecurity are unmotivated due to feelings of helplessness. They concluded that moderate levels of job insecurity (e.g., when perceived threat and perceived control are both high) should lead survivors to exhibit the optimum level of work effort, since they can overcome the complacency associated with low job insecurity and the helplessness created by high job insecurity.

5) Propensity to quit

Several empirical investigations have reported significant relationships between perceived job security and self-reported intentions to leave the organization. Greenhalgh (1979) and Jick (1979) both reported a significant negative correlation between job security

and propensity to quit among different samples of the same declining and shrinking hospital system. In a field study examining the effects of downsizing on the survivors of a number of savings and loan organizations, Owyar-Hosseini (1990) also reported that perceptions of job security were negatively related to intention to leave the organization. In the development of their Job Insecurity Scale (JIS), Ashford, Lee, and Bobko (1989) reported that perceived job insecurity led to increased intentions to quit among a diversified sample of respondents from different positions in different industries.

6) Voluntary turnover

One of the primary reasons for the organizational concern about job security is the potential for increased turnover among the organization's most valuable employees. Researchers have hypothesized that the more valuable workers are likely to be the first to leave a downsizing organization, since they tend to have better job alternatives (Greenhalgh, 1979; Jick, 1979; Greenhalgh and McKersie, 1980; Levine, 1979; Whetten, 1980a). Since job insecurity may be related to a withdrawal response, or an attempt to avoid stress altogether (Ashford, Lee, and Bobko, 1989), this construct is suggested to be positively related to intentions to quit (Arnold and Feldman, 1982; Jick and Murray, 1982). That is, employees are likely to seek more secure employment opportunities if they are worried about the continuity of their employment (Greenhalgh and Rosenblatt, 1984). Although there has been extensive research on turnover, only one study was identified that reviewed organization records to examine voluntary turnover in the context of a downsizing organization. Murray and Jick (1985) found no significant increase in the rate of voluntary turnover among a sample of hospital employees of an organization that had recently undergone a downsizing.

In summary, a number of field studies that have been conducted in the context of a downsizing environment to examine the relationships between the job security or job insecurity constructs and employee attitudinal and behavioral responses. Although most of these studies did not specifically focus on employees' responses to downsizing, many of these studies did occur in the context of a downsizing environment. These studies have generally reported support for the hypothesized negative relationships between perceived job insecurity and the affective responses of both organizational commitment and job satisfaction, while positive relationships have been reported between perceived job insecurity and the outcomes of intention to quit and resistance to change. However, mixed

results or weak support has been found for the hypothesized negative relationships between perceived job insecurity and the outcomes of job involvement, work effort, and job performance. One study examined the relationship between perceived job insecurity and voluntary turnover, but found no significant relationships between these variables.

Perceived role ambiguity and conflict

In his theoretical model of the individual-level responses to budget cutbacks, Jick (1985) posited that the general future uncertainty surrounding these budget cuts may result in employee perceptions of role ambiguity or conflict. These constructs are considered the most widely studied variables in organizational stress research (Beehr, 1985). Role ambiguity represents a lack of information about job requirements and procedures, while role conflict occurs when two or more patterns of behavior are expected for a single position in the organization (Katz and Kahn, 1978). Five types of role conflict in organizations have been identified in previous research efforts: intersender conflict, intrasender conflict, interrole conflict, person-role conflict and role overload (Beehr, 1985; Van Sell, Brief, and Schuler, 1981). The restructuring or reorganization that is commonly associated with a downsizing appears relevant to role ambiguity and role conflict, since these organizational changes often result in different job features and revised reporting relationships.

Empirical investigations have generally reported a number of individual-level responses to be significantly correlated with role ambiguity and role conflict. However, these studies were not conducted in the context of a downsizing environment. Positive relationships have been reported between role stress (i.e., role ambiguity and role conflict) and absenteeism (Breugh, 1980), voluntary turnover (Hamner and Tosi, 1974), and propensity to leave the organization (Jackson and Schuler, 1985). Variables reported to be negatively related with role stress include job satisfaction (Kahn, Wolfe, Quinn, Snoek, and Rosenthal, 1964; Breugh, 1980; Jackson and Schuler, 1985), job involvement (Schuler, Aldag, and Brief, 1977; Fisher and Gitelson, 1983; Jackson and Schuler, 1985), and organizational commitment (Fisher and Gitelson, 1983; Jackson and Schuler, 1985). Role conflict and role ambiguity have also been clearly demonstrated to correlate with each other (Jackson and Schuler, 1985; Van Sell, Brief, and Schuler, 1981).

Bailey and Szerdy (1988) noted that a common problem faced by many employees in a downsizing work environment is role overload, which is an element of role conflict. This situation is created by the elimination of jobs without a reduction in the workload.

Consequently, more work is required by fewer employees. As the organization continues to downsize, the workload for the remaining employees increases even more. In recent survey of over four million employees of over 1,000 corporations, the Wyatt Company reported that nearly all of the organizations (86%) had downsized within the past five years, but less than half (42%) had eliminated any of the tasks that employees were required to perform. Researchers have suggested that these work-related changes may be perceived by employees as threats or opportunities (Brockner, 1992). For example, the increased workload may represent a perceived source of threat, but may provide the opportunity to work in a more interesting and challenging job. Based on undermanning theory (Barker and Gump, 1964), the job-related changes accompanied by a downsizing may provide employees with a higher degree of task variety, job autonomy, and task interdependence (Sutton and D'Aunno, 1989; Brockner, 1988). Hackman and Oldham (1980) would suggest that these changes in work design would increase the motivating potential of jobs.

Researchers have suggested that the lack of concrete information about their future roles in the organization may cause survivors in a downsizing environment to speculate about a variety of events that might negatively impact their jobs. Greenhalgh and Rosenblatt (1984) posited that the global perceived job insecurity construct includes role ambiguity and role conflict, since this construct represents the perceived uncertainty associated with the threat of the loss of valued job features such as promotional opportunities, income stream, status, and autonomy. Based on this hypothesized relationship between perceived job insecurity and role ambiguity and conflict, Ashford, Lee, and Bobko (1989) included the perceived threat of the loss of valued job features as a subset of their Job Insecurity Scale (JIS). As hypothesized, they reported a significant and positive relationship between perceived role ambiguity and perceived job insecurity. However, the relationship between role conflict and job insecurity was insignificant. The researchers suggested that role conflict may stem more from role overload created by an increased workload due to understaffing, rather than perceptions of the continuity of job features or the job itself.

Although practitioners and academics have posited that the stress-produced effects of a downsizing will lead to increased role ambiguity and conflict among survivors, few studies have been conducted in the context of a downsizing environment. In a field study of a downsizing hospital organization, Jick (1979) found support for the hypothesized relationship between the objective changes in employee work routines and their perceptions

of job insecurity. He reported that the most job insecure employees reported the most significant work-related changes and that these work-related changes were the most significant predictor of perceived job insecurity. Specifically, those employees reporting higher levels of perceived job insecurity reported the greatest changes in their work routines. Through interviews and survey data on 236 employees surviving a major layoff, Tombaugh and White (1990) found that survivors perceived significant increases in work-related stress, as measured by role ambiguity and role conflict. Survivors reported finding significant modification or elimination of their jobs, uncertainty about their new roles and reporting relationships, unclear expectations from top management, and restricted horizontal and vertical communication. Those survivors with higher stress levels reported dissatisfaction with the organization and a propensity to seek employment elsewhere. Significant differences were reported between satisfied and dissatisfied employees with respect to role ambiguity and propensity to quit. However, no significant differences were found with respect to role conflict.

In summary, researchers have hypothesized that survivors in a downsizing environment should report increased levels of role ambiguity and role conflict. These two constructs also have been hypothesized to be strongly and positively correlated with perceived job insecurity. In testing their recently developed Job Insecurity Scale (JIS) scale, Ashford, Lee, and Bobko (1989) found support for the hypothesized strong relationship between role ambiguity and perceived job insecurity. However, a weak relationship was reported between role conflict and perceived job insecurity. In several field studies conducted post-layoff environments, objective changes in actual work routines were significant predictors of job insecurity and employees also reported significant increases in role ambiguity and role conflict.

Individual Differences

A number of variables have been suggested to moderate the relationship between the objective dimensions of work force reductions and employees' attitudinal and behavioral responses. Jick (1985) posited that employee responses to budget cutbacks may be moderated by individual mechanisms for coping with the threat, such as financial savings and perceived job opportunities. Brockner (1988) proposed a classification scheme of moderator variables that includes: 1) the nature of work, such as the degree of

task interdependence), 2) survivor individual differences, 3) the formal organization, such as advance notification and "caretaking" programs, 4) the informal organization, including employee interpersonal relationships, and 5) environmental conditions, such as employees' perceived job alternatives. The results of theoretical and empirical research concerning the individual differences variables of personality traits, prior experiences and attitudes, demographic variables, and economic factors are discussed in the following paragraphs.

Personality traits

Greenhalgh and Rosenblatt (1984) suggested that employees will have stronger reactions to work force reductions if they have an internal locus of control, conservatism, a high work orientation, a high need for security, and blame themselves for their vulnerability to career setbacks. In two laboratory experiments, Brockner and his colleagues reported that low self-esteem subjects exhibited significantly greater increases in productivity than their medium and high self-esteem counterparts in similar layoff conditions (Brockner, Davy, and Carter, 1985; Brockner, O'Malley, Grover, Esaki, Glynn, and Lazarides, 1987). Conversely, in a field study of employees in a post-layoff environment, they found that high self-esteem survivors worked harder than their low self-esteem counterparts (Brockner, Grover, and Blonder, 1987). In a field study of downsizing organizations, Blonder (1976) found only partial and moderate support for self-esteem as a moderator variable to employees' attitudinal responses. However, in both of these field studies, the results indicated that survivors' level of organizational commitment (Brockner, Grover, and Blonder, 1987) and satisfaction toward the organization (Blonder, 1976) were positively and significantly correlated with their degree of Protestant work ethic.

In an examination of the effects of organizational decline and downsizing on employees of a number of savings and loan organizations, Owyar-Hosseini (1990) found that locus of control and need for security did not moderate the relationship between employee perceptions of job security and their attitudinal and behavioral responses. He reported that tolerance of ambiguity, but not self-esteem, moderated the relationship between perceptions of job security and stress. There was a much stronger negative relationship between perceptions of job security and stress for individuals with a low tolerance of ambiguity than for individuals with a high tolerance of ambiguity.

Prior experiences and attitudes

Empirical evidence suggests that an employee's prior experiences may moderate their reaction to work force reductions. In a field study of organizations which had recently undergone mild and severe downsizings, (Blonder, 1976) found no support for his hypothesis that employees' prior experiences with layoffs would be a predictor of work-related attitudes and behaviors. However, he did find partial to moderate support in mild layoff conditions for his hypotheses that survivors would exhibit greater dysfunctional responses if they had: (1) more prior experiences with role ambiguity, (2) less prior participation in decision making, and (3) fewer prior experiences with task variety. In a field study of several organizations in a post-layoff environment, Brockner, Grover, and Blonder (1988) found that survivors' with less prior participation in decision making and more prior experiences with role ambiguity reported greater levels of job and organizational withdrawal behaviors, such as reduced job involvement and decreased organizational commitment, under the mild layoff conditions.

It is posited that employees with prior loyalty to the organization usually judge their dealings with organizational authorities to be fairer than do those with less prior loyalty (Tyler, 1990). Research concerning people's attitudes toward political and legal institutions have reported that attitudes after an experience with the institution were strongly affected by prior attitudes (Tyler, Casper, and Fisher, 1989). Brockner, Tyler, and Cooper-Schneider (1992) conducted a field study of survivors of a financial service organization that had undergone layoffs five to seven months prior to the study. As hypothesized, they found that survivors' perceived fairness of the layoff selection criteria and their reactions to the layoffs were moderated by the survivors' level of organizational commitment prior to the onset of the layoffs. In support of a theoretical framework developed by Lind and Tyler (1988), they reported that survivors with the higher level of commitment prior to the layoffs had greater feelings of self-worth invested in their attachment to the organization. Thus, they reacted more adversely to the layoff when the decision rule was perceived to be unfair and more favorably to the layoff when the decision rule was perceived as fair, relative to those who felt less committed to the organization prior to the layoff.

Several perspectives from the organizational and interpersonal justice literature have been used by Brockner and his associates to develop a theoretical framework for survivors' reactions to layoffs. Based on Heider's (1958) "balance theory" perspective, the reaction of survivors to downsizing events would be moderated by the extent to which the survivors

feel a prior sense of identification or "connectedness" with laid off workers. According to Heider's (1958) balance theory, if a survivor felt attached to a layoff victim prior to the layoff and perceived that the organization treated the layoff victim unfairly, then the survivor will reduce his/her level of organizational commitment to preserve cognitive balance. Similarly, the "just world" perspective (Lerner, 1975) would hypothesize that survivors may react to layoffs by distancing themselves from the layoff victims or from the organization. Those survivors who perceive the layoffs as unfair and include layoff victims in their "scope of justice" (Deutch, 1985) or "moral community" (Optow, 1988) are posited to redress their perceived inequity by expressing feelings of anger and hostility toward managements' handling of the downsizing. They would react to this perceived inequity by distancing themselves from the organization, as evidenced by reduced productivity or decreased organizational commitment. Conversely, survivors who do not include layoff victims in their scope of justice or moral community may respond negatively from the layoff victim's perspective even if they perceived the layoffs as unfair (Lerner and Simmons, 1966; Stokols and Schopler, 1973).

Using a theoretical framework based on the literature of organizational and interpersonal justice, Brockner, Grover, and Blonder (1987) conducted a field study of a national chain of small retail stores that had closed a large number of units during recent months. As hypothesized, they reported that survivors reported a much sharper decline in organizational commitment when they perceived layoff management practices as unfair and when they included the layoff victims in their scope of justice or moral community (Brockner, Grover, and Blonder, 1987). However, when the layoff victims fell outside the survivors' scope of justice or moral community, survivors were not affected by the fairness of the layoff process. A laboratory experiment confirmed the results of the field study. That is, subjects who perceived the layoffs as unfair exhibited the least increases in productivity when they included the layoff victims in their scope of justice or moral community.

Demographic variables

There has been little attention given to demographic variables as individual difference moderators of employee reactions to work force reductions. Demographic factors that may influence employees' reactions to work force reductions include age, salary grade, education, and organizational tenure. In his study field study of organizations in a post-layoff environment, Blonder (1976) investigated the impact of layoffs on the

survivors and the extent to which individual differences moderated the impact of these layoffs. The demographic variables included in the study were age, education, organizational rank, and seniority. None of these variables were found to be strong or consistent predictors of the survivors' attitudinal and behavioral responses. Conversely, in his study of a hospital downsizing, Jick (1979) reported that salary grade, age, education, and seniority were all significant predictions of employee reactions to the budget cutbacks. Lower salary grade workers reported more resistance to change than higher salary grade workers, while employees with less seniority expressed greater job dissatisfaction than workers with more seniority. Younger and more educated workers reported more job dissatisfaction, lower morale, and a greater propensity to quit than their older and less educated counterparts.

Economic factors

Greenhalgh and Rosenblatt (1984) hypothesized that the level of an employees' dependence will moderate the relationship between the objective dimensions of downsizing and their attitudinal and behavioral responses. Employee dependence may include an individual's level of occupational or geographic mobility, financial independence, or economic need to work. Researchers have suggested that the extent to which a job yields a high proportion of family income may influence employees to be more dependent on their jobs (Ashford, Lee, and Bobko, 1989). In his study of a shrinking hospital system, Jick (1979) found that the higher levels of perceived job insecurity among lower salary grade employees was moderated by their lack of geographic mobility. In a field study of survivors of a national retail chain that had closed many stores in the prior 12 months, Brockner, Grover, Reed, and Dewitt (1992) found that only those survivors with a high economic need to work translated their feelings of job insecurity into their level of work effort. However, Blonder (1976) found little support for his hypotheses that financial independence, geographic mobility, and occupational mobility would predict survivors' attitudinal and behavioral reactions in his study of downsizing organizations.

Summary of Literature Review

The most frequently hypothesized individual-level responses to downsizing include reduced organizational commitment, decreased job satisfaction (morale), less job involvement, decreased productivity (work effort), more resistance to change, and increased propensity to quit (i.e., antecedent of turnover). However, empirical research in the context of downsizing organizations have reported mixed support for these hypothesized relationships. Based on stress-strain theoretical framework presented in Figure 1 and the review the literature, the variables and their relationships that appear relevant to the individual-level effects of downsizing are summarized in Figure 2.

Corresponding to the stress-strain theoretical framework in Figure 1, the model in Figure 2 suggests that employee reactions to a downsizing are a function of both the "global objective environment" and a "subjective environment." The objective dimensions of the downsizing environment exist independent of employees' subjective interpretations of that environment, while the subjective environment is internal to each individual and cannot be directly observed. The model suggests that the objective downsizing properties are mediated by employees' subjective interpretation of that environment, which will in turn influence employees' attitudinal and behavioral responses. Employees' subjective interpretations or perceptions of the downsizing environment should also be influenced by individual differences. The combined relationships among the objective dimensions of downsizing, employees' subjective interpretations, and individual differences are suggested to influence several attitudinal and behavioral responses. The variables and suggested relationships of the model in Figure 2 are summarized in the following paragraphs.

Objective dimensions of downsizing

Several objective properties of downsizing events that have been suggested to influence employee reactions include downsizing severity and frequency, downsizing methods, downsizing implementation tactics, and job-related changes. Employees of organizations undergoing more severe and frequent downsizing efforts have reported less organizational commitment, less job security, and more resistance to change (Owyar-Hosseini, 1990). However, weak to moderate support has been reported between downsizing severity and employees' job satisfaction, propensity to quit, work effort (Owyar-Hosseini, 1990), job involvement (Brockner, Grover, and Blonder, 1988), company satisfaction, and expressed motivation (Blonder, 1976). Most field studies have

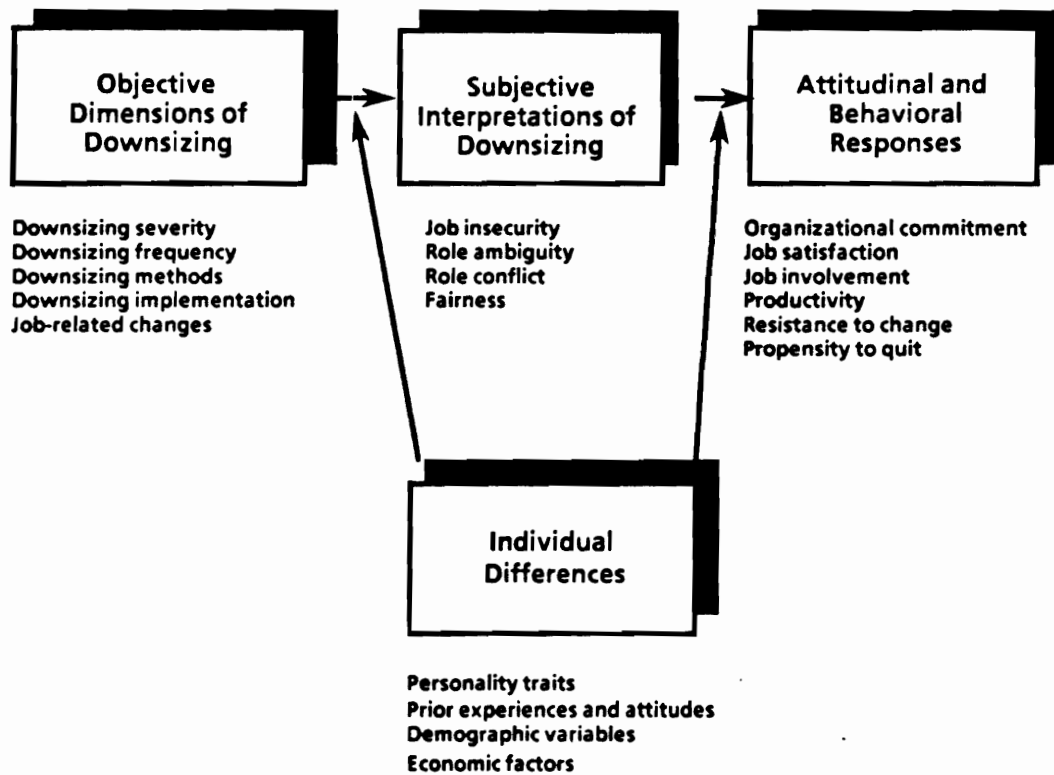


Figure 2

**Model Summarizing the Review of the Literature
Relevant to the Individual-Level Effects of Downsizing**

examined the downsizing method of layoffs and have reported weak support for their hypothesized dysfunctional attitudinal or behavioral shifts or group differences among employees anticipating layoffs or among laid off victims and employees not anticipating layoffs (Hall and Mansfield, 1971; Gannon, Foreman, and Pugh, 1973; Zalkind and Disperenzieri, 1973; Hershey, 1972; Belzung, Owens, and MacNaughton, 1966). With respect to downsizing implementation, Brockner and his colleagues reported that survivors perceived layoffs as less unfair when management clearly explained the rationale for the layoffs (Brockner, DeWitt, Grover, and Reed, 1990) and when survivors had a low prior sense of identification with layoff victims (Brockner, Grover, Reed, DeWitt, and O'Malley, 1987). In a field study of a hospital downsizing, Jick (1979) reported that the objective determinant of job-related changes was a significant predictor of survivors' perceived job insecurity, propensity to quit, resistance to change, and job satisfaction.

Subjective interpretations of downsizing

Employees' subjective interpretations or perceptions of the downsizing environment have been reported to have a stronger effect on their reactions than the objective dimensions of downsizing (Jick, 1979). Empirical investigations have generally reported negative relationships between perceived job insecurity and organizational commitment (Hall and Mansfield, 1971; Greenhalgh, 1979; Jick, 1979; Owyar-Hosseini, 1990) and job satisfaction (Jick, 1979; Owyar-Hosseini, 1990), while positive relationships have been reported between perceived job insecurity and propensity to quit (Greenhalgh, 1979; Jick, 1979; Owyar-Hosseini, 1990) and resistance to change (Fox and Staw, 1979; Greenhalgh, 1979). Weak to moderate support has been found in the hypothesized relationships between perceived job insecurity and job involvement (Hall and Mansfield, 1971; Greenhalgh, 1979) and work effort (Greenhalgh, 1979; Owyar-Hosseini, 1990; Brockner, Grover, Reed, and DeWitt, 1992). A field study in a post-layoff environment also found that survivors experienced significant increases in perceptions work-related stress, as measured by role ambiguity and role conflict. (Tombaugh and White, 1990).

Individual differences

Individual difference variables have been suggested to moderate the relationships between the objective dimensions of downsizing and employees' reactions. Although mixed results have been reported in the moderating variable of self-esteem (Blonder, 1976; Brockner, Davy, and Carter, 1985; Brockner, Grover, and Blonder, 1987;

Owyar-Hosseini, 1990), employees with a high level of Protestant work ethic (Blonder, 1976; Brockner, Grover, and Blonder, 1987) have reported the least dysfunctional attitudinal and behavioral responses. Employees with a low tolerance of ambiguity have also reported higher levels of stress (Owyar-Hosseini, 1990). Survivors have reported less dysfunctional responses (i.e., work effort, organizational commitment, job involvement) when they had fewer prior experiences with role ambiguity (Blonder, 1976; Brockner, Grover, and Blonder, 1988), more prior participation in decision making (Brockner, Grover, and Blonder, 1988), less prior identification with layoff victims (Brockner, Grover, and Blonder, 1987), and a lower level of prior organizational commitment (Brockner, Tyler, and Cooper-Schneider, 1992). Demographic variables of age, salary grade, education, and seniority have shown mixed results in moderating employees' reactions to the downsizing (Blonder, 1976; Jick, 1979). Finally, economic factors, such as the economic need to work (Brockner, Grover, Reed, and DeWitt, 1992) and geographic mobility (Jick, 1979) have been found to be related to perceived job insecurity in downsizing environments characterized by mild layoffs. That is, survivors of mild layoffs have higher levels of perceived job insecurity when they have a higher economic need to work and lack geographic mobility.

CHAPTER 3

METHODS OF STUDY

This study examined the individual-level effects of downsizing in the Food Service Department (FSD) of a public school system in the southeastern United States. Managers and employees in the FSD's cafeterias were surveyed with a questionnaire instrument that included self-report items concerning their perceptions, attitudes, behaviors, and biographical data. The FSD records were used to gather relevant information concerning work unit productivity. In this chapter, a conceptual model of the individual-level effects of downsizing is presented and the hypotheses, research setting, variables, measures, and statistical procedures that were used in the present study are discussed.

Conceptual Model and Hypotheses

Conceptual model

The conceptual model presented in Figure 3 was developed to empirically test the relationships between specific variables that appear relevant to the present study. This model is based on the stress-strain theoretical framework illustrated in Figure 1 and the variables and hypothesized relationships summarized in Figure 2. Based upon the conceptual model in Figure 3, the major research questions addressed by the present study were: (1) How do the objective dimensions of downsizing impact employees' subjective interpretations?; (2) How do the objective dimensions of downsizing environment influence employees' work-related attitudes and behaviors? (3) How do employees' subjective interpretations of the downsizing impact their work-related attitudes and behaviors?; and (4) What influence do individual differences have in moderating survivors' subjective interpretations of the downsizing? These research questions will be used to guide the empirical investigations of the conceptual model presented in Figure 3. The hypotheses developed to test the relationships between the study's selected variables are presented and discussed in the following paragraphs.

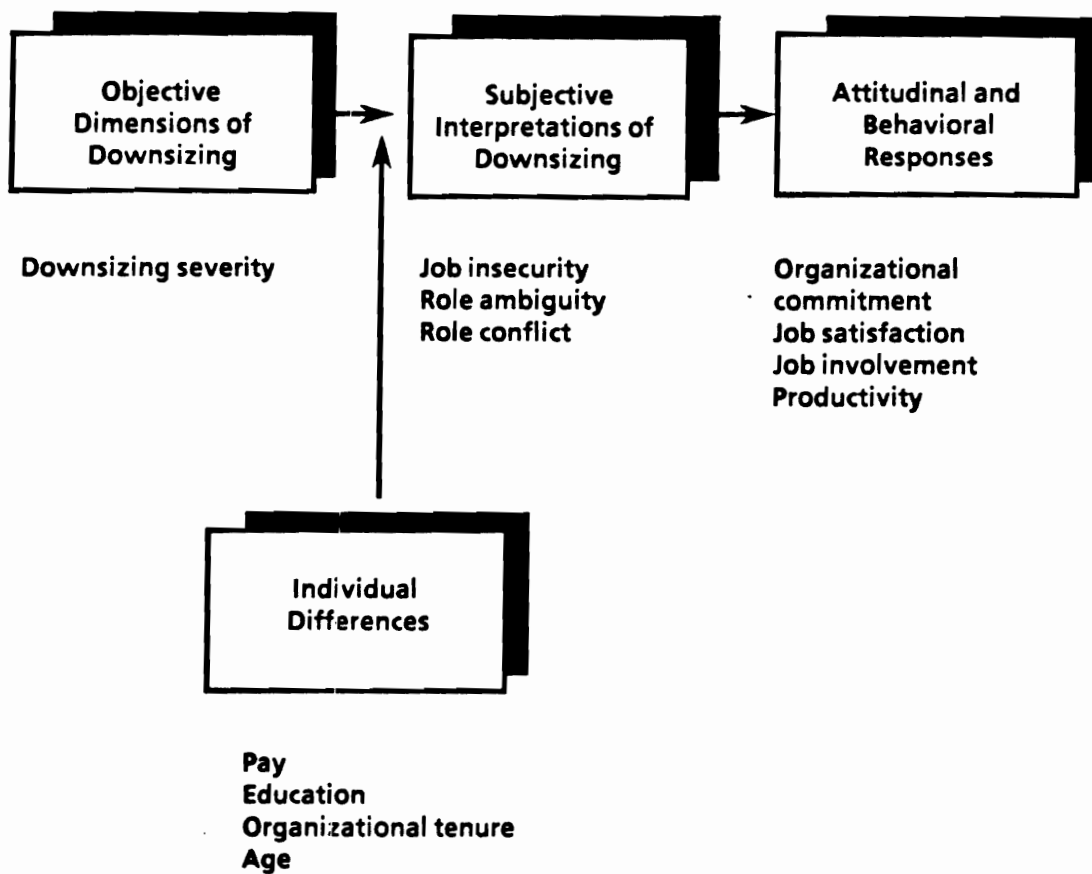


Figure 3

Conceptual Model Developed for an Examination
of the Individual-Level Effects of Downsizing

Hypotheses

Few studies have examined the relationships between the objective dimensions of downsizing and the subjective determinant variables. Instead, most prior investigations have examined the relationships between the objective or subjective determinant variables and employees' attitudinal and behavioral responses. In general, researchers have hypothesized that the objective dimension of downsizing severity will have a significant and positive relationship with employee stress-related perceptions such as perceived job insecurity, role ambiguity, and role conflict (Jick, 1985; Brockner, 1992; Owar-Hosseini, 1990). In the study of a downsizing hospital system, Jick (1979) reported that the employees' perceptions of the events were more significant predictors of their attitudinal and behavioral responses than were the objective properties of the work environment. However, only one study was identified that specifically examined the relationship between the objective determinant of downsizing severity and survivors' subjective interpretations. In his field study of a number of savings and loan organizations, Owyar-Hosseini (1990) reported that perceptions of job security were significantly lower among employees of organizations that had undergone more severe work force reductions during the prior three year period.

Researchers have hypothesized that other objective dimensions of a downsizing may intervene to reduce the degree of stress-related perceptions commonly associated with work force reductions. For example, more voluntary and less severe downsizing methods such as natural attrition are suggested to elicit less job insecurity among employees than will involuntary and more severe downsizing methods such as layoffs (Greenhalgh, Lawrence, and Sutton, 1988; Sutton and D'Aunno, 1989). Further, it would appear that less severe downsizing methods may be more easily accomplished in certain industries or organizations. For example, a foodservice organization that has an annual turnover rate of over 100 percent may be able to cut a large number of jobs in a relatively short time period without having to resort to layoffs or other involuntary downsizing methods.

Greenhalgh and Rosenblatt (1984) posited that an employee's perceived degree of job insecurity may also be reduced by other objective properties of the downsizing environment such as: 1) protection from unions, seniority systems, or labor contracts; (2) a clear understanding as to what is necessary to maintain current job status and what corrective action is necessary to avert the perceived threat of job loss or the loss of job features; (3) a participative organizational climate; and (4) favorable employee attitudes toward the downsizing implementation. Researchers and practitioners have argued that a

well-planned, formal communication program should result in less negative impact on employees with respect to their levels of job insecurity (Greenhalgh, 1982; Jick, 1985; Brockner, 1992). This formal communication may include: (1) management assurances regarding future job security; (2) a clear explanation of the reasons for the downsizing; and (3) management consultation with all employees in the development and implementation of cost-cutting or revenue enhancement ideas.

Greenhalgh and Rosenblatt (1984) argued that the job insecurity construct includes not only the perceived threat of job loss, but also the threat of the loss of valued job features, such as reduced promotional opportunities, decreased income stream, loss of status, or reduced autonomy. However, the loss of job features would not result in as high a level of perceived job insecurity as the threat of total job loss. Thus, in an organization that relied only on a natural attrition program to reduce its work force, perceived job security should be lower among employees than if the organization had resorted to layoffs. Brockner (1992) further suggested that employees in a downsizing organization may perceive opportunities, as well as threats, with respect to their future job features. For example, some employees in a downsizing environment may perceive a future that is characterized by increased promotional opportunities, better pay, or more rewards. Thus, the positive impact of these perceived opportunities may serve to counteract the employees' perceived threats of the downsizing.

Although practitioners and academics have hypothesized that the stress-produced effects of a downsizing will lead to increased role ambiguity and role conflict, few studies have examined these variables in the context of a downsizing environment. The reorganization or restructuring that usually accompanies a downsizing will likely result in role ambiguity among employees, since they may be confused as to their new role responsibilities and reporting relationships. Further, since a downsizing often results in the elimination of jobs without the corresponding reduction in task requirements, more work may be required of fewer employees. Rizzo, House, and Lirtzman (1970) have included this role overload phenomenon in their definition of role conflict, since this situation represents a conflict between the time, resources, and capabilities of the employee and their defined role behavior. Tombaugh and White (1990) reported that survivors of a major layoff in a petrochemical plant perceived significant increases in work-related stress, as measured through role ambiguity and role conflict.

Similar to job insecurity, the perceived threat of role conflict and role ambiguity may also be counteracted with perceived opportunities that result from other potential

changes in role behaviors. For example, as previously noted, some employees may perceive a future role that is characterized by increased promotional opportunities, better pay, more rewards, or more status. Further, the changes in job features accompanied by a downsizing may provide employees with a higher degree of task variety, job autonomy, and task interdependence (Sutton and D'Aunno, 1989; Brockner, 1988; Barker and Gump, 1964). Hackman and Oldham (1980) would suggest that these changes in work design would increase the motivating potential of jobs. Thus, the negative effects of role stress may be counteracted by an individual's perceptions of more positive features associated with their future role in the organization.

- Hypothesis 1: Employees will report similar stress-related perceptions, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1a: Employees will report similar perceptions of job insecurity, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1b: Employees will report similar perceptions of role ambiguity, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1c: Employees will report similar perceptions of role conflict, irrespective of the downsizing severity of their organizational units.

Several field studies that examined the impact of layoff severity or downsizing severity on employees' attitudes and behaviors reported mixed results. These studies hypothesized that the more severe the layoffs or the downsizings in the prior two to three year period, the more dysfunctional would be employees' work-related attitudinal and behavioral responses. Blonder (1976) found that there was less expressed motivation among survivors of more severe layoffs, but the differences were much weaker than expected. He reported no significant differences were found in the survivors' attitudes regarding company satisfaction. Using a subsample of Blonder's (1976) study, Brockner, Grover, and Blonder (1988) reported that layoff severity was a predictor of survivors' level of job involvement, but only in those organizations with mild layoffs. Owyar-Hosseini (1990) found that employees of organizations that had resorted to more severe work force reductions reported lower levels of organizational commitment, less job security, and more resistance to change. However, no significant relationships were reported between the severity of work force reductions and job satisfaction, propensity to quit, or work effort.

The absence of dysfunctional responses to the more severe downsizings reported in the aforementioned field studies may have been partially due to the presence of other objective features of the downsizing environment (i.e., downsizing methods, downsizing planning and implementation, etc.) that were discussed in preceding paragraphs. That is, certain objective characteristics of these downsizing environments may have served to minimize the negative individual-level consequences commonly associated with downsizing. For example, Greenhalgh (1983a) has suggested that a more participative organizational climate during a downsizing period may serve to reduce the degree of dysfunctional attitudinal and behavioral responses that are commonly associated with a downsizing, such as reduced organizational commitment, decreased job satisfaction, reduced job involvement, increased resistance to change, decreased productivity, and greater propensity to quit. Correspondingly, researchers have posited that during periods of organizational change, it is especially important for management to involve lower-level employees in the decision-making process if they are to be sufficiently committed to making the change effective (Hackman and Lawler, 1971). Research has revealed that employees who are provided the opportunity to work with management to cope with organizational stress tend to be more effective and have higher organizational commitment (Lawler and Hall, 1970).

Researchers have focused their efforts on supporting their hypotheses regarding the positive and significant relationships between dysfunctional attitudinal and behavioral responses and those negative objective properties that are commonly associated with a downsizing environment (i.e., severe layoffs). However, as previously discussed, some of the less negative (or positive) objective properties of a downsizing environment may provide certain employees with future opportunities or less unfavorable future outcomes. Thus, survivors' reactions to these less unfavorable (or positive) objective properties of a downsizing environment may serve to counteract the dysfunctional attitudinal and behavioral responses that have commonly been associated with more severe job cuts.

- Hypothesis 2: Employees will report similar work-related attitudinal and behavioral responses, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2a: Employees will report similar levels of organizational commitment, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2b: Employees will report similar levels of job satisfaction, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2c: Employees will report similar levels of job involvement, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2d: Employees will report similar levels of resistance of change, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2e: Employees will report similar levels of propensity to quit, irrespective of the downsizing severity of their organizational units.

In a field study of hourly manufacturing workers, Hershey (1972) found no significant decreases in production efficiency, lateness, and absenteeism in the layoff or no-layoff groups between the three month period prior to the layoff announcement and the one month period following the layoff announcement. There were also no significant differences in production efficiency, absenteeism, and tardiness between the layoff and no-layoff groups. In a controlled laboratory setting, Brockner, Davy, and Carter (1985) reported significant differences in productivity between subjects in layoff and no-layoff conditions. Contrary to popular belief, subjects in the layoff condition actually exhibited greater increases in productivity than those subjects in the no-layoff condition.

Despite the presence of layoffs, prior field investigations in downsizing environments have reported no significance with respect to hypothesized decreases in employee productivity. Based on these results, it would appear reasonable to assume that a properly planned and implemented downsizing that involved no layoffs may actually result in the increased productivity. Many organizations attempt to improve their overall productivity by targeting specific organizational units or locations for specific job cuts. Since the impact of work force reductions should then vary throughout the organization, the productivity improvements in an effective downsizing would appear most likely occur at those locations that are targeted for the greatest productivity gains. Correspondingly, these would be those locations that have undergone the most severe work force reductions.

Hypothesis 3: There will be a significant and positive relationship between downsizing severity and work unit productivity.

Perceptions of job insecurity may threaten the affective and attitudinal attachments to a firm, such as commitment and satisfaction (Ashford, Lee, and Bobko, 1989). Feelings of job insecurity may reflect an employee's perception that the organization has abrogated this psychological contract because of their potential loss of important job features or the job itself. Thus, survivors of a downsizing organization may adjust their psychological contracts by reducing their commitment or loyalty to the organization (Romzek, 1985). Several field studies in the context of downsizing environments have reported negative relationships between employees' perceptions of job insecurity and their degree of organizational commitment and job satisfaction. In a study of research and development professionals of organizations that had undergone downsizings, Hall and Mansfield (1971) and Greenhalgh (1979) found a positive relationship between perceived job security and organizational identification, while Jick (1979) reported that survivors with higher levels of perceived job insecurity exhibited lower morale (job satisfaction) and organizational pride than did their more job secure counterparts. In his field study of employees of a number of savings and loan organizations, Owyar-Hosseini (1990) reported that perceptions of job security were significantly and positively related to job satisfaction and organizational commitment.

Several empirical investigations have supported the negative relationships between job security and the resistance to change and propensity to quit. Fox and Staw (1979) reported that subjects of a laboratory experiment became more committed to a previously chosen course of action as job security decreased. Similarly, in a field study examining the effects of downsizing on the employees of a number of savings and loan organizations, Owyar-Hosseini (1990) reported that perceptions of job security were negatively related to resistance to change. In his study of a shrinking hospital system, Greenhalgh (1979) also found a significant negative correlation between job security and resistance to change. Greenhalgh (1979) and Jick (1979) both reported a significant and negative correlation between job security and propensity to quit among employees of downsizing hospital organization. In a field study examining the effects of downsizing on the survivors of a number of savings and loan organizations, Owyar-Hosseini (1990) also reported that perceptions of job security were negatively related to intention to leave the organization.

- Hypothesis 4: The greater the level of perceived job insecurity, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 4a: There will be a significant and negative relationship between perceived job insecurity and organizational commitment.
- Hypothesis 4b: There will be a significant and negative relationship between perceived job insecurity and job satisfaction.
- Hypothesis 4c: There will be a significant and positive relationship between perceived job insecurity and resistance to change.
- Hypothesis 4d: There will be a significant and positive relationship between perceived job insecurity and propensity to quit.

Researchers have suggested that there will be strong relationships between role conflict and role ambiguity and employees' attitudinal and behavioral responses. However, only one study was identified that examined these relationships in the context of a downsizing environment. Through interviews and survey data on 236 employees surviving a major layoff, Tombaugh and White (1990) reported that survivors with higher levels of role ambiguity and role conflict stress reported more dissatisfaction with the organization and a greater propensity to quit. Studies in the context of other non-downsizing field settings have reported that role conflict and role ambiguity are positively related with propensity to quit (Jackson and Schuler, 1985) and negatively related to job satisfaction (Kahn, Wolfe, Quinn, Snoek, and Rosenthal, 1964; Breauagh, 1980; Jackson and Schuler, 1985) and organizational commitment (Fisher and Gitelson, 1983; Jackson and Schuler, 1985). Role conflict and role ambiguity have also been clearly demonstrated to correlate with each other (Jackson and Schuler, 1985; Van Sell, Brief, and Schuler, 1981).

- Hypothesis 5: The greater the level of role ambiguity, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 5a: There will be a significant and negative relationship between role ambiguity and organizational commitment.
- Hypothesis 5b: There will be a significant and negative relationship between role ambiguity and job satisfaction.
- Hypothesis 5c: There will be a significant and positive relationship between role conflict and resistance to change.
- Hypothesis 5d: There will be a significant and positive relationship between role ambiguity and propensity to quit.

- Hypothesis 6: The greater the level of role conflict, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 6a: There will be a significant and negative relationship between role conflict and organizational commitment.
- Hypothesis 6b: There will be a significant and negative relationship between role conflict and job satisfaction.
- Hypothesis 6c: There will be a significant and positive relationship between role conflict and resistance to change.
- Hypothesis 6d: There will be a significant and positive relationship between role conflict and propensity to quit.

A number of individual difference variables have been suggested to moderate the relationship between the objective dimensions of downsizing and employees' attitudinal and behavioral responses. In his study field study of organizations in a post-layoff environment, Blonder (1976) reported that the demographic variables of age, education, organizational rank, and seniority were not strong or consistent predictors of survivors' attitudinal and behavioral responses. Conversely, in his study of a hospital downsizing, Jick (1979) reported that salary grade, age, education, and seniority were all significant predictors of employee reactions to the budget cutbacks. Lower salary grade workers reported more resistance to change than higher salary grade workers, while employees with less seniority expressed greater job dissatisfaction than workers with more seniority. Younger and more educated workers reported more job dissatisfaction, lower morale, and a greater propensity to quit than their older and less educated counterparts.

In general, prior field investigations have reported mixed support for the hypothesized effects of individual differences as moderators of the relationships between employees' subjective interpretations of downsizing and their attitudinal and behavioral responses. Thus, individuals who are presumed to have similar levels of job insecurity may not exhibit different attitudinal or behavioral responses, despite their individual differences. Based on these results, it appears that individual differences may be a more significant moderator of the objective dimensions of downsizing and employees' subjective interpretations of those events. However, few studies have examined the direct relationships between individual difference variables and subjective determinant variables. For example, it would appear that employees would have different levels perceived job insecurity, based on their individual differences. Since strong relationships have been

reported between subjective determinant variables and employees' attitudinal behavioral responses, the influence of individual difference variables on employee perceptions may in fact lead to different work-related attitudinal and behavioral responses.

- Hypothesis 7: Employees' individual differences will influence their subjective interpretations of the downsizing environment.
- Hypothesis 7a: There will be a significant and positive relationship between pay and perceived job insecurity.
- Hypothesis 7b: There will be a significant and positive relationship between education and perceived job insecurity.
- Hypothesis 7b: There will be a significant and negative relationship between organizational tenure and perceived job insecurity.
- Hypothesis 7d: There will be a significant and negative relationship between age and perceived job insecurity.

Description of Field Setting

The Food Service Department (FSD) of a public school system located in the southeastern United States was selected as the focal organization for this study. This school system has an enrollment of approximately 60,000 students and serves an area population of approximately 386,000. The FSD prepares and serves breakfast and lunch meals to students at 92 campus locations. An additional nine locations serve as satellite campuses, with meals being delivered to these schools from several of the system's 92 primary cafeteria locations. Since managers of those cafeterias that prepare and deliver meals to the satellite locations are also responsible for those satellite operations, the FSD classifies its operations according to 92 campuses.

The Director of Food Service oversees a departmental budget of \$19 million and is responsible for approximately 725 full-time and part-time personnel. Approximately 700 of these employees work in the school cafeterias, while the remaining personnel work in the FSD central office in administrative, staff, or clerical positions. The number of cafeteria personnel ranges from four to 15 at the various school locations. Based on 1993 FSD data sources, the department serves approximately 15,300 breakfasts and 43,700 lunches to school system students on an average daily basis, and also serves as a contractor to the city for the management of a summer feeding program at selected campuses. The

FSD also participates in the United State Department of Agriculture's (USDA's) National School Breakfast Program, the National School Lunch Program, and the Extended Day Snack Program. Under these programs, the department receives free USDA commodities and Federal and state reimbursements for meals served. In the 1992-93 school year, Federal and state meal reimbursement income represented 82 percent of the FSD's total income.

Due to their strong opposition to a proposed school system tax increase, a group of business leaders formed a committee to seek ways to reduce the continued escalation of school taxes. These business leaders felt that a more efficiently operated school system would alleviate the necessity for tax increases, while providing equal or better services to students. To gather support for their position, they commissioned a consulting firm to conduct a management audit of the school system's non-instructional programs. The primary objectives of the engagement were to identify areas of potential cost savings and to develop corresponding recommendations to achieve those cost savings. The author served as a contractor to the management consulting firm that was selected to perform this audit. As a foodservice specialist, the author's responsibilities were to identify opportunities for cost savings in the FSD and to develop corresponding recommendations to achieve those cost savings. These recommendations were designed to improve the efficiency of the FSD and eliminate unnecessary expenditures.

The public schools segment of the foodservice industry is considered particularly appropriate to examine the impact of downsizing, due to the prevalence of budget cutbacks and declining student participation at school foodservice programs throughout the United States. Most school foodservice programs have undergone a period of organizational decline during the past decade, which may be evidenced by declining student enrollment, budget cutbacks, and a shrinking pool of human and physical resources. Several factors have been suggested to have contributed to this decline. First, a \$1.5 billion cut in child nutrition funding was imposed by the Reagan Administration's Omnibus Reconciliation Act of 1981. Second, the Federal government's share of the total cost of education has steadily declined during the past decade. Third, since 1981, school lunch participation has declined and remained approximately 2.4 million students below 1980 levels. Fourth, there has been a public outcry for no school district tax increases. In the context of this difficult environment, many school foodservice administrators are faced with the difficult challenge of operating a self-supporting foodservice programs, while maintaining compliance with the demanding regulatory requirements of the USDA's Child Nutrition Program.

The most serious concern in the FSD was the excessive payroll costs relative to comparable-sized programs in other school districts. Factors that contributed to these high payroll expenses included: (1) high salary levels of management personnel; (2) relatively low productivity among hourly workers; (3) lack of use of part-time hourly workers; (4) lack of use of pre-prepared food items; and (5) the number of employees with long organizational tenure that had continued to move to higher pay grades over the years. The consulting firm provided several recommendations to reduce payroll costs and improve the FSD's productivity. To achieve the annual estimated net payroll cost savings of approximately \$1.7 million, a three year downsizing plan was developed for the 1992-93, 1993-94, and 1994-95 school years that included the following key recommendations: (1) reduce the educational requirements for cafeteria manager positions from a college degree to a high school degree; (2) increase the productivity of hourly cafeteria workers by reducing the departmental total labor hours by approximately 20 percent through less severe downsizing methods; and (3) decrease the extent of food preparation (i.e., baked breads) requirements at district cafeterias.

Based on the recommendations presented in the management audit report, the recently promoted Director of Food Service received board approval for her proposed cost reduction plan in January of 1993. Since the director's ideas for change and her motivation to change corresponded with the consultant's recommendations, her proposed cost reduction plan was similar to the plan presented in the audit report. Following school board approval, most of the director's proposed cost reduction was planned for implementation at the beginning of the 1993-94 school year. However, part of this implementation process had already begun several months earlier. For example, the hiring freeze and natural attrition program was introduced at the beginning of the 1992-93 school year.

The key components of the three year downsizing and reorganization plan included the following items:

- 1) Promote the two Field Supervisors to newly created Assistant Food Service Director positions and eliminate the two Field Supervisor positions;
- 2) Establish five Field Manager positions;

- 3) Eliminate the eight Food Production Manager positions and establish five Assistant Food Manager positions;
- 4) Eliminate the Substitute Manager position;
- 5) Reduce the educational requirements of the Food Service Manager position from a college degree to a high school degree and downgrade the position pay grade classification;
- 6) Eliminate four clerical positions in the district administrative office in the 1993-94 school year. These four positions will be replaced by two part-time positions;
- 7) Reduce the number of labor hours at district cafeterias by approximately 20 percent by:
 - a) Continuing to reduce the work force through the use of the least severe, voluntary downsizing methods such as a hiring freeze with natural attrition, early retirement, and inter-departmental transfers;
 - b) Continuing to convert full-time positions to part-time positions;
 - c) Eliminating substitute worker positions;
 - d) Eliminating two cafeteria position classifications and reassigning the tasks to remaining cafeteria positions;
 - e) Retraining certain cafeteria personnel and expanding the scope of their job responsibilities to better equip them for new foodservice management opportunities; and
 - f) Reducing the labor intensity of food preparation requirements at district campuses.

The organizational changes associated with the downsizing program led to concern among incumbent cafeteria managers, who demonstrated: (1) feelings of "anger" and "betrayal" toward administrators and the organization for decreasing the status and prestige of their position by removing the college degree qualifications; (2) fear of job loss due to the increased competition for their jobs from an increasing number of newly certified hourly workers at lower salary levels; and (3) fear of future wage freezes to bring their salaries more in line with the lower pay grade of new non-degreed managers. This level of job insecurity may have been heightened by the unannounced layoffs that had occurred in the school system's maintenance and transportation departments in the prior school year. The rumors of impending layoffs of FSD personnel were also initiated by union officials, following the press release of the findings of the management audit report.

To dispel the layoff rumors, the director presented her proposed downsizing plan to cafeteria personnel in November of 1992 and provided assurances of job security to all permanent employees. During this meeting the director outlined "career ladder" training and the upgrading of lower-level employees. Based on changes in educational job requirements, high school graduates would now be provided the opportunity to compete for future management opportunities, upon successful completion of state certification requirements. Flyers were also distributed to all cafeteria personnel, encouraging employees to meet with FSD administrators to discuss the proposed organizational changes and the potential impact of these changes on their future jobs in the organization.

To reduce the anxiety and worry among foodservice personnel, the director implemented a number of programs to involve employees in FSD management decisions and established a system to reward them for their innovation and participation. These programs are as follows:

- 1) The Best Practices award was established in the 1992-93 school year to recognize cafeteria managers for innovative and creative ideas. Plaques, certificates, and \$100 cash prizes were provided to two cafeteria managers who were declared winners in their respective categories at the state judging.
- 2) Managers were encouraged to submit proposals for grants (under \$1,000 each) established with the funds received from vendor product rebates. The proposals are to include the plans and estimated costs for project ideas

designed to increase meal participation or enhance the physical work environment in school cafeteria operations. The managers awarded these grants receive the funds required for the project and are responsible for the implementation of their plans through a pilot program at their respective campuses.

- 3) Managers now work with their supervisors to review innovative programs in other school districts and to implement pilot programs in their operations.
- 4) Managers are provided with voluntary choices to assist the FSD administrators in achieving targeted cost reduction plans. For example, managers have been provided with the choice of continuing to bake their own bread (i.e., lower food cost) or purchasing pre-baked bread (i.e., lower labor costs).
- 5) Managers may request transfers for any of their full-time (i.e., 35 hours a week) cafeteria positions. In return, however, these managers would only receive one or two part-time positions scheduled to work no more than 30 total hours per week. Despite the net reduction in campus labor hours, a number of managers willingly accepted this trade-off.
- 6) Managers and employees have been allowed increased opportunities for inter-campus transfers. For example, qualified foodservice personnel were provided the opportunity to interview for six open manager positions at the end of the 1992-93 school year. Although college degrees are no longer required for manager positions, degreed personnel will continue to be guaranteed priority when applying for these positions. At the end of the 1992-93 school year, each technician position signed a memo from the director which stated that they could call the administrative office and request a transfer to another campus without their supervisor's knowledge. These employees are provided the opportunity to transfer to under-staffed campus locations.

- 7) Managers who request and secure a personal computer that is funded by their campus location will be provided the opportunity to purchase software and training. As of the beginning of the 1993-94 school year, 12 managers have received computers.

Procedures

In order to gain access to the FSD, the nature and scope of the study was discussed with and approved by the Director of Food Service. To remain informed of ongoing organizational changes that may impact the research, there were periodic discussions between the researcher and FSD administrators. The survey instrument was initially administered by the researcher to a focus group of 24 foodservice personnel of a school district in the southwestern United States. These participants were employed at an elementary school, a middle school, and a high school. The feedback received from these individuals was used to make appropriate revisions to improve the readability and clarity of the questionnaire. Since the survey was completed at the school settings during working hours, this initial focus group was also used to ensure that the instrument could be easily be completed within the allotted 30 minute time period.

The director provided the researcher with the number of foodservice personnel at each of the FSD's 92 primary campuses. Questionnaire packets were then prepared for each campus that included a cover letter, the questionnaire, and a return envelope. All cafeteria management and non-management personnel who were classified in full-time or part-time positions were included in the survey. Employees that were excluded from the survey included student workers, management trainees, college interns, and mentally handicapped workers.

The researcher met with cafeteria managers from the focal school district at the October, 1993, Manager's Meeting. During this meeting, the researcher distributed the questionnaire packets to the cafeteria managers of the 92 primary campus locations and then provided them with instructions for survey administration. The cafeteria managers then provided the researcher with questions and concerns regarding survey administration. In addition to their own completion of the survey instrument, the manager of each cafeteria was also responsible for administering the survey to their subordinates. The manager of each cafeteria distributed the surveys to their employees during working hours and set aside

a 30 minute time period for questionnaire completion. To ensure anonymity, the study participants were instructed not to write their names anywhere on the questionnaire. To ensure further confidentiality, participants were also requested to seal the envelope before submitting it to their cafeteria managers. The managers enclosed the sealed envelopes in a large envelope and returned it to the FSD central office through the inter-campus mail system. Two weeks were allowed for the completion and return of all questionnaires.

Measures

This section presents a brief description of each of the major measures that were used to test the hypotheses of this study. Independent and dependent variables used in this study are presented, and the scales and specific questionnaire items used to measure these variables are discussed. The scales included self-report measures of work-related perceptions, attitudes, and behaviors. All measures, except where noted, used a 5-point Likert-type scale with a neutral central value. Items included in each index were dispersed throughout the survey instrument. The item scores from these scales were summed and averaged. The cover letter and survey instruments are presented in Appendices A and B.

Independent variable

Severity of the downsizing was the only independent variable in the present study. This objective dimension of downsizing was measured by the percentage decrease in campus-level labor hours between October, 1992 and October, 1993. Similar to the procedure used in prior studies (Owyar-Hosseini, 1990; Brockner, Grover, and Blonder, 1988; Blonder, 1976), campus locations were classified according to downsizing severity. Although prior studies have expressed layoff or downsizing severity as the ratio of layoffs or position cuts to the total organization work force, the present study operationalized this measure as the ratio of cafeteria labor hour reductions to cafeteria labor hours scheduled.

Dependent variables

Job insecurity was measured with a 20-item subscale of the Job Insecurity Scale (JIS) developed by Ashford, Lee, and Bobko (1989). This instrument included the 17-item Likelihood of Job Features Continuation subscale and the 3-item Powerlessness subscale. Greenhalgh and Rosenblatt (1984) hypothesized that perceived job insecurity is a

function of the perceived severity of the threat of future job loss and the perceived degree of control over that threat. The severity of the threat of future job loss is posited to be dependent on whether the individual perceives the threat of job loss or the loss of valued job features. The loss of job features may include reduced promotional opportunities, decreased income stream, loss of status, or reduced autonomy. However, the perceived loss of job features does not pose as severe a threat as perceived job loss.

Greenhalgh and Rosenblatt (1984) also posited that an employee's perceived degree of control to avert the sense of powerlessness that results from the threat of the loss of job features or total job loss may be influenced by such factors as: 1) the degree of protection from unions, seniority systems, or labor contracts; (2) the degree of understanding as to what is necessary to maintain current job status and what corrective action is necessary to avert the perceived threat of job loss or the loss of job features; (3) the extent to which the organization climate is perceived as authoritarian or participative; and (4) employee beliefs about the organization's dismissal procedures.

Based on the work of Greenhalgh and Rosenblatt (1984), Ashford, Lee, and Bobko (1989) developed the JIS to serve as a more global measure of the perceived job insecurity construct. Their measure includes five components: (1) the importance of job features; (2) the threat to job features' continuation; (3) the importance of the total job; (4) the threat of changes of the total job; and (5) the powerlessness to prevent a loss. In testing the JIS among 183 respondents consisting of industrial hygienists, internal auditors, registered nurses, and part-time students, Ashford, Lee, and Bobko (1989) reported a reliability coefficient of .92 for the Likelihood of Job Features Continuation subscale and .83 for the Powerless subscale. Although the authors urged other researchers to test and refine the JIS, there is no research evidence to suggest that this recently developed scale has been used in the context of a downsizing environment. With respect to hospitality research, Dienhart and Gregoire (1992) used a job security scale using 15 of the 20 items developed by Lahey (1984) and reported a reliability coefficient of .80 among a sample of employees from a national quick-service restaurant chain.

The 17-item Likelihood of Job Features Continuation subscale of the JIS asks respondents to look into the future and indicate the probability that changes will occur that they do not want or might disagree with that would negatively affect certain features of their jobs. This subscale asks respondents the likelihood that each of these negative changes may actually occur in the future, ranging from "negative changes very unlikely" (1) to "negative changes very likely" (5). A score of 1 denotes a low degree of perceived job

insecurity and a score of 5 denotes a high degree of perceived job insecurity. The 17 scale items and their corresponding questionnaire numbers are as follows.

76. Your job location?
77. Your potential to get ahead in the organization?
78. Your potential to maintain your current pay?
79. Your potential to attain pay increases?
80. The status that comes with your position in the organization?
81. Your current freedom to schedule your own work?
82. Your current freedom to perform the work in the manner that you see fit?
83. Your current access to resources in the organization?
84. Your current sense of community in working with good co-workers?
85. The amount of feedback you currently receive from your supervisor?
86. The supervision you receive?
87. The physical demands your job places on you?
88. The opportunity to interact with teachers and students?
89. The variety of tasks that you perform?
90. The opportunity to do an entire piece of work from start to finish?
91. The significance of your job?
92. The extent to which you can tell how well you are doing your job as you do it?

The Powerlessness subscale of the JIS asks respondents to indicate how much they disagree or agree with three statements, ranging from "strongly disagree" (1) to "strongly agree" (5). A score of 1 denotes a low degree of perceived job insecurity and a score of 5 represents a high degree of perceived job insecurity. The three scale items and their corresponding questionnaire numbers are as follows.

51. I have enough power in this organization to control events that might affect my job. (reverse scoring).
59. In this organization, I can prevent negative things from affecting my work situation. (reverse scoring)
70. I understand this organization well enough to be able to control things that affect me.

Role ambiguity and role conflict were measured with a subscale of the Role Conflict and Ambiguity Scale developed by Rizzo, House, and Lirtzman (1970). Role ambiguity represents a lack of information about job requirements and procedures, while role conflict occurs when two or more patterns of behavior are expected for a single position in the organization (Katz and Kahn, 1978). The Role Conflict and Ambiguity Scale has been widely used with satisfactory evidence of internal consistency and construct validity (Hamner and Tosi, 1974). Rizzo, House and Lirtzman (1970) reported an estimate of internal consistency of about .80 for this scale among two different samples. Schuler, Aldag, and Brief (1977) psychometrically evaluated both the Role Conflict and Role Ambiguity subscales and reported reliability coefficients of .79 for both scales. In the context of a downsizing environment, Blonder (1976) used the Role Ambiguity subscale to measure respondents' prior level of role ambiguity and reported a reliability estimate of .80 among a group of engineers, scientists, managers, and sales representatives of organizations that had recently undergone layoffs. Decotis and Summers (1987) administered a subscale of the Role Conflict and Ambiguity Scale to a sample of managers of a national restaurant chain. Role ambiguity and role conflict represented two of the four aspects of the perceived structure variable used in this study.

A 22-item subscale of the 30-item Role Conflict and Ambiguity Scale was used in the present study to measure the extent of role stress among the respondents. The first eleven items measured role conflict and the next eleven items measured role ambiguity. Participants were asked to indicate the degree to which the condition exists for them, on a five-point scale ranging from "strongly disagree" (1) to "strongly agree" (5). A score of 1 denotes a low degree of role stress and a score of 5 denotes a high degree of role stress. The 22 scale items and their corresponding questionnaire numbers are as follows.

Role Conflict

1. I have enough time to complete my work. (reverse scoring).
4. I perform tasks that are too easy or boring.
8. I have to do things that should be done differently.
11. I receive an assignment without the manpower to complete it.
15. I have to buck a rule or policy in order to carry out an assignment.
17. I receive assignments that are within my training and capability. (reverse scoring).
20. I have just the right amount of work to do (reverse scoring).
23. I receive incompatible requests from two or more people.

- 27 I do things that are likely to be accepted by one person and not accepted by others.
- 29. I receive an assignment without adequate resources and materials to execute it.
- 32. I work on unnecessary things.

Role Ambiguity

- 2. There are clear, planned goals and objectives for my job. (reverse scoring)
- 6. There is a lack of policies and guidelines to help me.
- 9. I am corrected or rewarded when I really don't expect it.
- 12. I know what my responsibilities are. (reverse scoring).
- 14. I have to "feel my way" in performing my duties.
- 18. I feel certain how I will be evaluated for a raise or promotion. (reverse scoring).
- 21. I know exactly what is expected of me. (reverse scoring).
- 24. I am told how well I am doing my job. (reverse scoring).
- 26. Explanation is clear of what has to be done (reverse scoring).
- 30. I have to work under unclear directives or orders.
- 32. I do not know if my work will be acceptable to my boss.

Demographic variables measured in the survey included pay, organizational tenure, education, and age. These factors have been examined as independent variables in two prior field studies in the context of downsizing environments (Blonder, 1976; Jick, 1979). These variables were collected in response to Mitchell's (1985) argument that researchers should "actively try to conceptualize and measure those variables that may serve as potential confounds" (p. 196).

Organizational commitment was measured by the 15-item Organizational Commitment Questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979). Organizational commitment has been defined by Mowday, Porter, and Steers (1982) as "the relative strength of an individual's identification with and involvement in an organization. Conceptually, it can be characterized by at least three factors: (a) a strong belief and acceptance of the organization's goals and values; (b) a willingness to contribute considerable effort on behalf of the organization; and (c) a strong desire to maintain membership in the organization" (p.27). The psychometric properties of the widely used OCQ have been thoroughly investigated (Mowday, Steers, and Porter, 1979). In his study

of downsizing organizations, Owyar-Hosseini (1990) used this scale and reported a reliability coefficient of .90 among employees of a number of savings and loan institutions. Krackhart and Porter (1985) used the OCQ and reported reliability coefficients from .84 to .90 across the hourly employees of three restaurant sites.

The 15 items in this scale represent a series of statements that represent feelings that employees may have about the organization for which they work. Responses to each item were measured on a 5-point scale with scale endpoints of "strongly disagree" (1) and "strongly agree" (5). A score of 1 denotes a low degree of organizational commitment and a score of 5 denotes a high degree of organizational commitment. The 15 scale items and their corresponding questionnaire numbers are as follows.

- 49. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.
- 52. I talk up this organization to my friends as a great organization to work for.
- 55. I feel very little loyalty to this organization. (reverse scoring)
- 56. I would accept almost any type of job assignment in order to keep working for this organization.
- 58. I find that my values and the organization's values are very similar.
- 60. I am proud to tell others that I am part of this organization.
- 61. I could just as well be working for a different organization as long as the type of work was similar. (reverse scoring)
- 63. This organization really inspires the very best in me in the way of job performance.
- 65. It would take very little change in my present circumstances to cause me to leave this organization. (reverse scoring)

66. I am extremely glad that I chose this organization to work for over others I was considering at the time I joined.
68. There's not too much to be gained by sticking with this organization indefinitely.
(reverse scoring)
71. Often, I find it difficult to agree with this organization's policies on important matters relating to its employees. (reverse scoring)
72. I really care about the fate of this organization.
73. For me this is the best of all possible organizations for which to work.
75. Deciding to work for this organization was a definite mistake on my part.

Job satisfaction was measured using the 5-item general job satisfaction subscale of the short version of the Job Diagnostic Survey (Hackman and Oldham, 1974). The Job Diagnostic Survey (JDS) provides measures of a number of personal, affective reactions or feelings an employee obtains from performing the job. These are viewed as the "personal outcomes" obtained from doing the work. The personal outcomes include general satisfaction, internal work motivation, and specific satisfactions (i.e., job security, pay and other compensation, peers and co-workers, supervision, and opportunity for personal growth and development). The general satisfaction subscale provides an overall measure of the degree to which the employee is satisfied and happy with the job. Although there is no generally agreed upon definition of job satisfaction, Locke (1976) suggests that this construct represents a pleasurable or positive emotional state resulting from an individual's appraisal of his or her job or job experience.

The data reported from the use of the JDS indicates that the instrument has satisfactory psychometric characteristics (Hackman and Oldham, 1975). Nettles and Partlow (1990) administered the JDS to a sample of foodservice employees from 10 schools in one district of a medium-sized midwestern city. The JDS scores from this study were compared to those from Shaffer's (1979) related study of hospital foodservice personnel. Although reliability coefficients were not presented in this study, the results

indicated that school foodservice employees had higher general satisfaction scores than those reported among the hospital foodservice employees in Shaffer's (1979) study.

Responses to each item on the JDS general job satisfaction subscale were measured on a 5-point scale with scale endpoints of "not satisfied" (1) and "extremely satisfied" (5). A score of 1 denotes a low degree of general job satisfaction and a score of 5 denotes a high degree of general job satisfaction. The five scale items and their corresponding questionnaire numbers are as follows.

- 3. Generally speaking, I am very satisfied with this job.
- 13. I frequently think of quitting this job. (Reverse Scoring)
- 19. I am generally satisfied with the kind of work I do in this job.
- 25. Most people on this job are very satisfied with the job.
- 31. People on this job often think of quitting. (Reverse Scoring)

Job involvement describes the extent to which employees rate themselves as interested and committed to their work. Job involvement represents the relative strength of an individual's identification with and involvement in his or her work, while organizational commitment represents the more general measure of the relative strength of an individual's identification with and involvement in an organization. This construct was measured with the four-item indifference subscale of Lodahl and Kejner's (1965) Job Involvement Scale. Using this subscale, Brockner, Grover, and Blonder (1988) reported a reliability coefficient of .84 among a sample of engineers and scientists of organizations that had recently undergone layoffs. Dienhart and Gregoire (1992) used three items of the Lodhal and Kejner (1965) scale in a study of employees of a national quick-service restaurant chain and reported a reliability coefficient of .79.

Responses to each item were measured on a 5-point scale with scale endpoints of "not satisfied" (1) and "extremely satisfied" (5). A score of 1 denotes a low degree of job involvement and a score of 5 denotes a high degree of job involvement. The four scale items and their corresponding questionnaire numbers are as follows.

- 5. Quite often, I feel like staying home from work instead of coming in.(reverse score)
- 10. I avoid taking on extra duties and responsibilities in my work. (reverse score)
- 28. I used to be more ambitious about my work than I am now. (reverse score)
- 34. I used to care more about my work, but now other things are more important to me.
(reverse score)

Productivity was measured according to work unit productivity and self-reported work effort. Work unit productivity was measured by the meals served per labor hour at each campus during the 1992-93 school year. This is the most widely accepted school foodservice productivity measure and is used by school foodservice administrators across the country. In the state of the focal organization, this productivity measure is included in the policies and procedures manual of the Child Nutrition Program division of the state's department of education. School foodservice programs in all the public school districts of this state are required to maintain a specific minimum level of meals served per labor hour to remain eligible for state program funding.

Productivity has usually been included as a self-report measure in prior studies on employees' reactions to downsizing. This scale is a self-assessment of items associated with an individual's work effort. The three-item index used in the present study is based on a similar index used in prior studies by Brockner and his associates (Brockner, Grover, Reed, and DeWitt, 1992; Brockner, DeWitt, Grover, and Reed, 1990). They have reported reliability coefficients ranging from .83 to .87 when administering this instrument to employees of a national retail chain that had recently undergone layoffs. Responses to each item were measured on a 5-point scale with scale endpoints of "strongly disagree" (1) and "strongly agree" (5). A score of 1 represents a low degree of job involvement and a score of 5 represents a high degree of job involvement. The three scale items and their corresponding questionnaire numbers are as follows.

- 7. I try to work as hard as possible.
- 14. I give a great deal of effort to completing my work.
- 22. I work hard on this job.

Resistance to change was measured by the three-item index used by Owyar-Hosseini (1990) and three of the four items in a scale used by Greenhalgh (1979). Resistance to change represents a tendency for employees to become less adaptive to work-

related changes and more reliant on prior standard operating procedures. In his field study of downsizing savings and loan organizations, Owyar-Hosseini (1990) reported a reliability coefficient of .81. Greenhalgh (1979) reported a reliability coefficient of .80 when using his four-item index among a sample of employees in a downsizing hospital organization. Responses to each item were measured on a 5-point scale with scale endpoints of "strongly disagree" (1) and "strongly agree" (5). A score of 1 represents a low resistance to change and a score of 5 represents a high resistance to change. The six scale items and their corresponding questionnaire numbers are as follows.

- 50. There is lots of resistance to change in this organization.
- 54. Employees in this organization are very open to change. (reverse scored)
- 57. Employees usually support management when they decide to make changes in this organization. (reverse scored)
- 62. I think that changes made in this organization usually work out well. (reverse scored)
- 67. Changes in this organization always seem to create more problems than they solve.
- 69. When changes are made in this organization, the employees usually lose out in the end.

Propensity to quit was measured with the three-item index. The first two items were developed by Walsh, Ashford, and Hill (1985) and were used in the testing of Ashford, Lee, and Bobko's (1989) Job Insecurity Scale (JIS). In testing the JIS among 183 respondents consisting of industrial hygienists, internal auditors, registered nurses, and part-time students, Ashford, Lee, and Bobko (1989) reported a reliability coefficient of .92. The third item has been used by Brockner and his associates in examining survivors' reactions to layoffs (Brockner, Tyler, and Cooper-Scheider, 1992; Brockner, DeWitt, Grover, and Reed, 1990). Responses to each item are measured on a 5-point scale with scale endpoints of "strongly disagree" (1) and "strongly agree" (5). A score of 1 represents a low propensity to quit and a score of 5 represents a high propensity to quit. The three scale items and their corresponding questionnaire numbers are as follows.

53. I intend to leave this organization within the next six months.
64. I have started to ask friends and contacts about other job possibilities.
74. I have every intention of continuing to work in this organization, for the foreseeable future. (reverse scoring)

Statistical Analyses

A variety of univariate statistical procedures were used to analyze the cross-sectional data. Statistical techniques included frequencies, analyses of variance, and correlations. All the statistical analyses and procedures were conducted using the SPSS-PC statistical software package (SPSS Reference Guide, 1990; SPSS Base System User's Guide, 1990). The analyses were designed to examine the relationships between the objective dimensions of downsizing, employees' stress-related perceptions, employees' attitudinal and behavioral responses, and individual demographics.

The first hypothesis predicted that there would be minimal differences in employees' stress-related perceptions, irrespective of campus downsizing severity. Specifically, employees at all campuses would report similar levels of perceived job insecurity, role conflict, and role ambiguity. Work units were classified according to downsizing severity and three one-way analysis of variance procedures were conducted to test these hypothesized relationships. The second hypothesis predicted that there would be minimal differences in employees' work-related attitudes and behaviors, irrespective of campus downsizing severity. Specifically, employees at all locations would report similar levels of organizational commitment, job satisfaction, and job involvement, resistance to change, and propensity to quit. Five one-way analysis of variance procedures were conducted to test these hypothesized relationships.

The third hypothesis predicted that there would be a significant and positive relationship between downsizing severity and work unit productivity. Thus, increases in productivity would be greater at those locations which had undergone more severe labor hour reductions. A Pearson product moment correlation procedure was conducted to test this hypothesized relationship.

The fourth hypothesis predicted that there would be significant relationships between employees' perceptions of job insecurity and their work-related attitudes and behaviors. Specifically, there will be significant negative relationships between perceptions

of job insecurity and both organizational commitment and job satisfaction, and there will be significant positive relationships between perceptions of job insecurity and both resistance to change and propensity to quit. Four Pearson product moment correlation procedures were conducted to test the strength and direction of each of these hypothesized relationships.

The fifth and sixth hypotheses predicted that there would be significant relationships between employees' perceptions of role stress, as measured by role conflict and role ambiguity, and their work-related attitudes and behaviors. Specifically, there will be significant negative relationships between perceptions of role conflict and role ambiguity and both organizational commitment and job satisfaction, and there will be significant positive relationships between perceptions of role conflict and role ambiguity and both resistance to change and propensity to quit. Four Pearson product moment correlation procedures were conducted to test the strength and direction of these hypothesized relationships.

The seventh and final hypothesis predicted that employees' individual differences would influence their subjective interpretations of the downsizing environment. The demographic factors of organizational tenure and age were hypothesized to be negatively related to perceived job insecurity, while the demographic variables of pay and education were hypothesized to be positively related to perceived job insecurity. Four Pearson product correlation procedures were conducted to test the strength and direction of each of these hypothesized relationships.

Summary

A model from organizational stress literature was adapted for the purpose of the present study. Based upon the conceptual model, the major research questions addressed by the present study were: (1) How do the objective dimensions of downsizing impact employees' subjective interpretations?; (2) How do the objective dimensions of downsizing environment influence employees' work-related attitudes and behaviors?; (3) How do employees' subjective interpretations of the downsizing impact their work-related attitudes and behaviors?; and (4) What impact do individual differences have on employees' subjective interpretations ? To test these relationships, the following hypotheses were developed.

- Hypothesis 1: Employees will report similar stress-related perceptions, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2: Employees will report similar work-related attitudinal and behavioral responses, irrespective of the downsizing severity of their organizational units.
- Hypothesis 3: There will be a significant and positive relationship between downsizing severity and productivity.
- Hypothesis 4: The greater the level of perceived job insecurity, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 5: The greater the level of role ambiguity, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 6: The greater the level of role conflict, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 7: Employees' individual differences will influence their subjective interpretations of the downsizing environment.

The Food Service Department (FSD) of a public school system in a southeastern United States city was selected as the focal organization for this study. Following a management audit of the foodservice program, the FSD director received school board approval for a proposed cost reduction plan in November of 1992. This plan included a downsizing and restructuring of the current organization. To reduce the anxiety and worry among foodservice personnel, the director implemented a number of programs to involve employees in management decisions and established a system to reward them for their innovation and participation.

The hypotheses in this study were tested using survey data collected from cafeteria personnel at all school campuses. The survey instrument was initially administered to a focus group of hourly workers from another school district to make appropriate revisions to improve the readability and clarity of the instrument. Following these revisions, the questionnaires were administered to participants during October of 1993. The manager of each cafeteria distributed the surveys to their employees and reserved a 30 minute time period for the questionnaires be completed during that shift. The information gathered through the survey was supplemented with other information obtained through district records.

The questionnaire instrument included self-report measures of work-related perceptions, attitudes, and behaviors. A 5-point Likert-type scale with a neutral central value was used and scale items were dispersed throughout the questionnaire. The item scores from these scales will be summed and averaged. The independent variable included in the study was the severity of the downsizing. Dependent variables included job insecurity, role conflict, role ambiguity, organizational commitment, job satisfaction, productivity, job involvement, resistance to change, and propensity to quit. Demographic variables were also included to examine the correlates between these factors and other study variables.

A variety of univariate statistical procedures were used to analyze the data. Statistical techniques included correlations, frequencies, and analysis of variance. All statistical analyses and procedures were conducted through SPSS-PC programming. The analyses were designed to examine the relationships between the objective dimensions of downsizing, employees' stress-related perceptions, employees' attitudinal and behavioral responses, and demographic variables.

CHAPTER 4

RESULTS

The hypotheses in this study were tested using survey data collected from cafeteria personnel at 87 of the Food Service Department's (FSD's) 92 campus locations. A total of 669 surveys were distributed and 527 questionnaires were returned, representing a 78.8 percent response rate. Approximately 58 percent of these respondents worked in an elementary school, while 24 percent worked in a middle school and 18 percent in a high school. Descriptive statistics and the internal consistency of the scales used in this research are presented before describing the analyses relating to the major research questions.

A demographic profile of the survey respondents is summarized in Table 1. As illustrated, most of the survey respondents were female (88.9 percent), married (57.6 percent), and between the ages of 30 and 60 (87.2 percent). The average age of the survey participants was 43.8 years. The respondents had been employed in the FSD for an average of 11.4 years, with over 71 percent being employed for over five years. Approximately 17 percent of the survey participants held management positions, while the remaining respondents were employed in one of four hourly worker positions (i.e., clerk, technician 3, technician 2, and porter). Over 47 percent of these hourly workers held the technician 2 position. The majority of the respondents (84.4 percent) were full-time employees who had completed high school. Since a college degree has historically been required for the cafeteria manager position, it is not surprising that over 37 percent of the respondents have attended some college, with 14 percent of the respondents having received a college degree. Most of the respondents (62.1 percent) indicated that they receive an hourly wage of over \$7 and work over 34 hours a week (82.5 percent).

The internal consistency (Cronbach's alpha) of the measures, presented in Table 2, indicates the scales used in the study had satisfactory reliability coefficients. Although the internal consistency of the job involvement and work effort scales may appear low, these scales were limited to a small number of items (i.e., three or four items). Prior studies using the same four-item job involvement measure reported relatively high reliabilities (.80 or above) when administered to subjects in other downsizing organizations

Table 1
Demographic Characteristics of Survey Respondents

Characteristic	Percent	Mean	Standard Deviation
Gender (n=497)			
male	11.1%		
female	88.9		
Age (n=405)		43.8	10.44
Under 30	5.9		
30-39	32.1		
40-49	31.1		
50-59	24.0		
60 and over	6.9		
Years with organization (n=488)		11.4	7.96
5 or less	28.9		
6-10	25.8		
11-20	28.8		
21 and more	16.4		
Employment status (n=505)			
full-time	84.4		
part-time	15.6		
Job title (n=448)			
manager or asst. manager	17.2		
clerk	13.2		
technician 3	21.9		
technician 2 or porter	55.5		
Years of education (n=500)		13.27	2.4
some high school	7.8		
completed high school	64.8		
some college	23.8		
completed college	13.8		
Hourly wage (n=436)			
Under \$7	37.8		
\$7-\$7.99	13.3		
\$8-\$8.99	14.2		
\$9 and over	34.7		
Family status (n=498)			
married	57.6		
single or widowed	26.7		
divorced or separated	15.7		

Table 2
Scale Reliabilities of the Variables Included in the Study

Scale	Cronbach's Alpha	Number of Items
Perceptions of Job Insecurity	.83	20
Role Ambiguity	.64	11
Role Conflict	.70	11
Organizational Commitment	.75	15
General Job Satisfaction	.74	5
Resistance to Change	.57	6
Job Involvement	.52	4
Work Effort	.52	3
Propensity to Quit	.59	3

(Owyar-Hosseini, 1990; Brockner, Grover, and Blonder, 1988). However, there were differences between the study participants and work environment in this study and prior studies. For example, other recent field studies have been conducted in a post-layoff environment among survivors of savings and loan organizations or a large retail store chain. Conversely, the present study was conducted among school foodservice personnel in a downsizing environment that was not characterized by any layoffs. With respect to the work effort index, researchers have generally reported low reliabilities when using this subjective measure among samples of hospital employees, engineers, and sales personnel (Jick, 1979; Greenhalgh, 1979; Blonder, 1976).

Table 3 presents the means and standard deviations for the measures included in the study. A 5-point Likert-type scale was used to measure each of these variables. A score of 1 denotes a low score and a score of 5 denotes a high score. Based on a scale mid-point of 2.5, respondent mean scores indicate a high degree of self-reported work effort and a relatively high degree of job satisfaction, job involvement, and organizational commitment. Respondents reported a moderate to relatively low degree of work-related stress, according to their reported perceptions of job insecurity, role ambiguity, and role conflict. The neutral resistance to change score indicated that foodservice personnel were not strongly opposed to change, nor were they strongly supportive of change. Finally, the propensity to quit mean score indicates that respondents had relatively low intentions of leaving the FSD.

During the first year of the downsizing (October 1992 to October 1993), a total of 199 hours were cut at the cafeterias, representing a four percent average annual reduction. The percentage of labor hour reductions at the 92 district campuses ranged from 0 to 20 percent. Sixty-eight (68), or 74 percent, of the 92 campuses experienced labor hour reductions that represented less than five percent of their total labor hours. Only 14, or 15 percent, of the campuses had labor hour reductions of over 10 percent.

Only one prior field study was identified that has used the downsizing severity measure. In a study of 11 savings and loan organizations, Owyar-Hosseini (1990) operationalized the extent of downsizing as the percentage decrease in the work force of these organizations over the prior three year period. He conducted one-way analyses of variance procedures across the 11 organizations to test hypothesized relationships between downsizing severity and a number of other study variables. The organizations were classified into a hierarchy of six groups, according to the percentage decrease in the work force over the prior three year period. Employee responses were grouped according to the

Table 3

Means and Standard Deviations of the Variables Included in the Study

Scale	Mean	Standard Deviation
Perceptions of Job Insecurity	3.09	.65
Role Ambiguity	2.06	.59
Role Conflict	2.44	.72
Organizational Comrnitment	3.49	.62
General Job Satisfaction	3.89	.92
Resistance to Change	2.90	.74
Job Involvement	3.82	.99
Work Effort	4.70	.60
Propensity to Quit	2.02	.96

downsizing severity of their respective organizations. This organization downsizing severity classification scheme was as follows: (1) no downsizing, (2) 2 percent downsizing, (3) 10 percent downsizing, (4) 14 percent downsizing, (5) 50 percent downsizing, and (6) 57 percent downsizing. There was no explanation as to the rationale for this classification scheme. There was also no indication as to how many organizations were grouped into each category.

Two field studies have operationalized the use of the layoff severity variable. With a sample from four engineering and two marketing organizations, Blonder (1976) compared the work-related attitudinal and behavioral responses of 85 survivors of two organizations that had undergone mild layoffs with those of 86 survivors of four organizations that had undergone more severe layoffs during the prior two year period. Severe layoffs included those situations where over 10 percent of the work force had been laid off during this period. Brockner, Grover, and Blonder (1988) used the engineering subsample of Blonder's (1976) study to examine the degree of job involvement of 54 survivors of an organization that had undergone mild layoffs with 51 survivors of those organizations that had undergone more severe layoffs. Mild layoffs included those situations where from two to five percent of the work force had been laid off, while the more severe layoffs were represented by situations where from 25 to 75 percent of the work force had been laid off. There was no rationale provided for the selected dichotomy of mild and severe layoff groups in either of these studies.

There are several notable differences between these three prior field studies and the present study. First, layoffs were not present in the focal organization. Second, since the the most severe labor hour reductions of any campus in the focal organization was 20 percent, there were no extreme cases like the 50 to 75 percent reductions or layoffs reported like in the three prior field studies. Third, hour reductions were used to represent downsizing severity in the present organizations, while the occurrence of full-time position cuts or layoffs were present in the other field studies. Fourth, prior studies were conducted among samples of engineers, sales persons, and savings and loan personnel, while the present study was conducted among school cafeteria employees. There are likely to be considerable differences in demographic and work environment factors between these prior studies and the present study. Fifth, the prior studies were conducted across several organizations, while the present study was conducted among a large number of units within one organization.

Since there was no clear or uniform definition to operationalize the downsizing severity variable, the campuses of the focal organization were grouped in a similar manner to Owyar-Hosseini's (1990) study. Campuses were grouped in a hierarchy according to the percentage of cafeteria labor hour reductions, resulting in five groups. However, unlike prior field studies, an attempt was made to avoid a non-uniform hierarchy with extreme outlier groups. Since campus downsizing ranged from 0 to 20 percent, a hierarchy of five groups was divided into equal ranges of downsizing severity.

Table 4 presents the frequencies and percentages of the reactions of respondents to the downsizing, according to the five group of downsizing severity classification scheme. As illustrated, values of the downsizing severity variable (i.e., the percentage decrease of campus cafeteria labor hours) of the 87 campuses included in the study were classified according to a hierarchy of similar groupings, ranging from 0 (i.e., no labor hour reductions present) to 20 percent. Over 70 percent of the respondents were employed at campuses that had cut labor hours by less than five percent. Table 5 presents descriptive statistics of selected study variables according to the five groups of downsizing.

Tests of Hypotheses

The univariate statistical techniques used to test the hypotheses in this study included analyses of variance and Pearson product moment correlations. All the statistical analyses and procedures were conducted using the SPSS-PC statistical software package (SPSS Reference Guide, 1990; SPSS Base System User's Guide, 1990). The analyses was designed to examine the relationships between the objective dimensions of downsizing, employees' subjective interpretations, employees' attitudinal and behavioral responses, and individual difference variables. The following is a discussion of the results of the testing of the study's seven hypotheses.

Hypothesis one

The first hypothesis predicted that there will be minimal differences in employees' stress-related perceptions across the five groups of downsizing severity. Specifically, employee perceptions of job insecurity, role ambiguity, and role conflict will be similar across the five groups of downsizing severity. The first hypothesis is as follows:

Table 4

Descriptive Statistics of Individual Responses
by Downsizing Severity

Downsizing Severity (Percent)	Frequency	Percent of Total Respondents
0	164	31.1
0.1-4.9	206	39.1
5-9.9	57	10.8
10-14.9	84	15.9
15-20	16	3.1
Total	527	100.0%

Daily labor hours scheduled in October 1992	4,661
Daily labor hours scheduled in October 1993	4,474
Total labor hours cut in past year	187
Mean percentage of labor hours reduced in past year	4.0%

Source: Food Service Director of Focal Organization

Table 5

Descriptive Statistics for Selected Study Variables

Dependent Variable	<u>Downsizing Severity (Percent)</u>				
	0	0.1-4.9	5-9.9	10-14.9	15-20
Job Insecurity (n=412)					
Frequency	126	169	42	62	13
Mean	3.14	3.08	3.16	2.98	2.93
Standard Deviation	.62	.64	.62	.69	.86
Role Ambiguity (n=478)					
Frequency	149	188	55	71	15
Mean	2.07	2.07	2.02	2.09	1.90
Standard Deviation	.59	.59	.60	.58	.57
Role Conflict (n=480)					
Frequency	153	187	53	73	14
Mean	2.44	2.45	2.37	2.47	2.31
Standard Deviation	.67	.72	.77	.76	.72
Organizational Commitment (n=470)					
Frequency	148	187	48	72	15
Mean	3.50	3.44	3.58	3.52	3.72
Standard Deviation	.60	.58	.53	.76	.69
Job Satisfaction (n=506)					
Frequency	160	198	55	77	16
Mean	3.95	3.83	4.02	3.77	4.09
Standard Deviation	.82	.98	.89	.76	.95
Resistance to Change (n=502)					
Frequency	156	197	55	78	16
Mean	2.90	2.93	2.79	2.99	2.55
Standard Deviation	.69	.55	.56	.64	.50
Job Involvement (n=512)					
Frequency	160	202	56	79	15
Mean	3.87	3.73	3.91	3.80	3.75
Standard Deviation	.93	.91	1.06	.98	1.00
Propensity to Quit (n=509)					
Frequency	158	201	57	77	16
Mean	2.04	2.00	1.91	2.13	1.94
Standard Deviation	.93	.97	.91	1.00	1.06

- Hypothesis 1: Employees will report similar stress-related perceptions, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1a: Employees will report similar perceptions of job insecurity, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1b: Employees will report similar perceptions of role ambiguity, irrespective of the downsizing severity of their organizational units.
- Hypothesis 1c: Employees will report similar perceptions of role conflict, irrespective of the downsizing severity of their organizational units.

Three one-way analyses of variance procedures were carried out to test hypothesis one. Variances among the mean scores of perceived job insecurity, role ambiguity, and role conflict, within the five classes of downsizing severity, were analyzed for significant differences. Table 6 presents the results of these analyses. As hypothesized, there were no significant differences in respondents' perceptions of job insecurity ($F = .92$, $df = 4/407$, $p < .45$), role ambiguity ($F = .39$, $df = 4/473$, $p < .82$), or role conflict ($F = .32$, $df = 4/475$, $p < .87$) across the five groups of downsizing severity. Thus, there was full support for the first hypothesis. As illustrated in Table 6, the mean scores of the perceived job insecurity, role ambiguity, and role conflict were lowest in group 5, or those cafeterias that had undergone the most severe downsizing (i.e., 15 to 20 percent in labor hour reductions). Interestingly, although not significant, the group of respondents of those cafeterias that had undergone the most severe downsizing perceived less stress than respondents from those groups of campuses that had undergone little, if any, labor hour reductions.

The intercorrelations between the study variables, presented in Table 7, provide further support for hypothesis one. The downsizing severity variable in Table 7 was classified according to the five groups previously shown in Table 6. As illustrated, there were extremely weak relationships between downsizing severity and the work-related stress measures of perceived job insecurity ($r = -0.08$), role ambiguity ($r = -0.02$) and role conflict ($r = -0.01$).

Hypothesis two

The second hypothesis predicted that there will be minimal differences in employees' work-related attitudes and behaviors across the five groups of downsizing severity. Specifically, respondent levels of organizational commitment, job satisfaction,

Table 6
One-Way Analyses of Variance
Employee Subjective Interpretations by Downsizing Severity

Dependent Variable	<u>Downsizing Severity (Percent)</u>					F	df
	0	0.1-4.9	5-9.9	10-14.9	15-20		
Job Insecurity							
Mean	3.14	3.08	3.16	2.98	2.93	.92	4
Role Ambiguity							
Mean	2.07	2.07	2.02	2.09	1.90	.39	4
Role Conflict							
Mean	2.44	2.45	2.37	2.47	2.31	.32	4

Note: No significance identified in F values.

Table 7

Intercorrelations of the Variables Included in the Study

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1. Downsizing severity	1.00													
2. Job insecurity	-.08	1.00												
3. Role ambiguity	-.02	.16**	1.00											
4. Role conflict	-.01	.10*	.60**	1.00										
5. Org. Commitment	.05	-.08	-.38**	-.45**	1.00									
6. Job satisfaction	-.02	-.03	-.56**	-.62**	.60**	1.00								
7. Resistance to change	-.02	.06	.34**	.39**	-.62**	-.44**	1.00							
8. Job involvement	-.01	-.05	-.48**	-.58**	.40**	.48**	-.30**	1.00						
9. Work effort	-.02	.01	-.17**	-.08	.10*	.09*	-.03	.08	1.00					
10. Propensity to quit	-.01	.02	.39**	.38**	-.58**	-.50**	.31**	-.35**	.14**	1.00				
11. Wage	-.09	-.12*	.10*	.12*	.01	-.06	.06	-.13**	.13**	-.05	1.00			
12. Education	.02	-.12*	-.01	.14**	-.14**	-.20**	.10*	-.12**	.14**	.05	.28**	1.00		
13. Tenure	-.08	-.02	-.02	.10*	.02	-.01	-.01	-.06	-.03	.02	.44**	-.13**	1.00	
14. Age	-.07	-.02	-.01	-.04	.14**	.04	-.11*	.08	.02	-.11*	.31**	-.23**	.61**	1.00

* p < .05

** p < .01

job involvement, resistance to change, and propensity to quit will vary little across the five groups of downsizing severity. The second hypothesis is as follows:

- Hypothesis 2: Employees will report similar work-related attitudinal and behavioral responses, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2a: Employees will report similar levels of organizational commitment, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2b: Employees will report similar levels of job satisfaction, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2c: Employees will report similar levels of job involvement, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2d: Employees will report similar levels of resistance to change, irrespective of the downsizing severity of their organizational units.
- Hypothesis 2e: Employees will report similar levels of propensity to quit, irrespective of the downsizing severity of their organizational units.

Five one-way analyses of variance procedures were carried out to test hypothesis two. Variances among the mean scores of organizational commitment, job satisfaction, job involvement, resistance to change, and propensity to quit, within the five classes of downsizing severity, were analyzed for significant differences. Table 8 presents the results of these analyses. As hypothesized, there were no significant differences in respondents' organizational commitment ($F = 1.19$, $df = 4/465$, $p < .32$), job satisfaction ($F = 1.18$, $df = 4/501$, $p < .32$), job involvement ($F = .37$, $df = 4/508$, $p < .83$), resistance to change ($F = 1.51$, $df = 4/497$, $p < .20$), or propensity to quit ($F = 1.98$, $df = 4/511$, $p < .65$) across the five downsizing groups. Thus, there was full support for the second hypothesis.

As illustrated in Table 8, the mean scores of organizational commitment and job satisfaction were the highest in Group 5, or those cafeterias that had undergone the most severe downsizing (i.e., 15 to 20 percent in labor hour reductions). With respect to job involvement, the mean scores of those respondents from Groups 4 and 5 (i.e., 10 percent or more downsizing) were actually higher than the mean scores of respondents in Group 2 (i.e., 0.1 to 5 percent downsizing). The resistance to change mean score was lowest among those respondents in Group 5 (i.e., 15 to 20 percent downsizing). Finally, with the exception of Group 3, the propensity to quit mean scores was lowest among respondents from those campuses with the most severe downsizing (i.e., Group 5). Thus, although no

Table 8
One-Way Analyses of Variance
Attitudes and Behaviors by Downsizing Severity

Dependent Variable	<u>Downsizing Severity (Percent)</u>					F	df
	0	0.1-4.9	5-9.9	10-14.9	15-20		
Organizational Commitment							
Mean	3.50	3.44	3.58	3.52	3.72	1.19	4
Job Satisfaction							
Mean	3.95	3.83	4.02	3.77	4.09	1.18	4
Resistance to Change							
Mean	2.90	2.93	2.79	2.99	2.55	1.51	4
Job Involvement							
Mean	3.87	3.73	3.91	3.80	3.75	.37	4
Propensity to Quit							
Mean	2.04	2.00	1.91	2.13	1.94	.53	4

Note: No significance identified in F values.

significance was reported, employee attitudinal and behavioral responses were usually more positive or less dysfunctional at those campuses that had undergone the most severe labor hour reductions.

The intercorrelations between the study variables, presented in Table 7, provide further support for hypothesis two. As illustrated, there were extremely weak relationships between downsizing severity and the work-related attitudinal and behavioral measures of organizational commitment ($r = 0.05$), job satisfaction ($r = -0.02$), job involvement ($r = -0.01$), resistance to change ($r = -0.02$), and propensity to quit ($r = -0.01$).

Hypothesis three

The third hypothesis predicted that there will be a significant and positive relationship between downsizing severity and work unit productivity. Thus, increases in productivity would be greater at those cafeterias which had undergone the most severe work force reductions. The third hypothesis is as follows:

Hypothesis 3: There will be a significant and positive relationship between downsizing severity and work unit productivity.

The campus-level change in meals served per labor hour from October 1992 to October 1993 was used to represent the objective productivity measure in this study. Meals served per labor hour, a group-level productivity measure, is the most common employee productivity measurement used in today's school foodservice operations. Of the 92 campuses in this study, 21 reported a decrease in productivity, one reported no change, and the remaining 70 campuses reported an increase in productivity. The change in campus-level productivity ranged from a decrease of 1.93 meals per labor hour served to an increase of 3.34 meals per labor hour served. The average change in productivity was an increase of .55 meals per labor hour served.

A Pearson product moment correlation procedure was conducted to test the strength and direction of the hypothesized relationship between downsizing severity and productivity (i.e., change in meals served per labor hour). As hypothesized, there was a significant and positive relationship between downsizing severity and the campus-level increase in meals served per labor hour ($r = 0.50$, $p < .01$). Thus, the greater the cuts in campus labor hours, the greater the increases in group-level productivity. Table 9 presents the one-way analysis of variance statistics for the changes in meals served per labor hour

Table 9
One-Way Analyses of Variance
Employee Productivity by Downsizing Severity

Dependent Variable	<u>Downsizing Severity (Percent)</u>					F	df
	0	0.1-4.9	5-9.9	10-14.9	15-20		
Increase in Meals Served Per Labor Hour (n=92 campuses)							
Frequency	29	38	10	12	3		
Mean	.91	.48	.66	1.35	2.20	7.84 **	4
SD	.93	.73	.90	.84	1.13		

* p<.05

** p<.01

by downsizing severity. In further support of hypothesis three, there were significant differences in the changes in meals served per labor hour ($F = 7.84$, $df = 4/87$, $p < .01$) across the five downsizing groups. As illustrated, the mean scores of productivity increases were the greatest at those locations that had experienced the most significant reductions in labor hours (i.e. groups 4 and 5).

The three-item, self-reported work effort scale was used to further examine employee productivity. Unlike the objective group-level productivity measure used to test hypothesis three, the work effort scale is a subjective and individual-level measure of employee productivity. A Pearson product moment correlation procedure was also conducted to test the strength and direction of this hypothesized relationship. As illustrated in Table 7, there was no relationship between downsizing severity and the self-reported work effort measure. Table 10 presents the one-way analysis of variance statistics for changes in self-reported work effort by downsizing severity. As illustrated, there were no significant differences in the mean scores of work effort ($F = .62$, $df = 4/511$, $p < .65$) across the five downsizing groups. The respondent mean scores for the self-reported work effort variable were the lowest in group 5, those campuses that had undergone the most significant labor hour reductions. However, there were minimal differences in mean scores of the respondents of the other four downsizing groups (i.e., 0 to 15 percent downsizing).

Hypothesis four

The fourth hypothesis predicted that there would be significant relationships between employee perceptions of job insecurity and their work-related attitudes and behaviors. Specifically, there will be significant negative relationships between perceived job insecurity and both organizational commitment and job satisfaction, and there will be significant positive relationships between perceptions of job insecurity and both resistance to change and propensity to quit. The fourth hypothesis is as follows:

- Hypothesis 4: The greater the level of perceived job insecurity, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 4a: There will be a significant and negative relationship between perceived job insecurity and organizational commitment.
- Hypothesis 4b: There will be a significant and negative relationship between perceived job insecurity and job satisfaction.

Table 10
One-Way Analyses of Variance
Work Effort by Downsizing Severity

Dependent Variable	<u>Downsizing Severity (Percent)</u>					F	df
	0	0.1-4.9	5-9.9	10-14.9	15-20		
Work Effort (n=516 respondents)							
Frequency	163	201	56	81	15		
Mean	4.72	4.68	4.73	4.73	4.49	.62	4
SD	.63	.62	.44	.57	.67		

Note: No significance identified in F values.

Hypothesis 4c: There will be a significant and positive relationship between perceived job insecurity and resistance to change.

Hypothesis 4d: There will be a significant and positive relationship between perceived job insecurity and propensity to quit.

Four Pearson product moment correlation procedures were conducted to test the strength and direction of each of these hypothesized relationships. The intercorrelations between the study variables are presented in Table 7. As illustrated, there were extremely weak relationships between perceived job insecurity and the work-related attitudinal and behavioral measures of organizational commitment ($r = -0.08$), job satisfaction ($r = -0.03$), resistance to change ($r = 0.06$), and propensity to quit ($r = 0.02$). Thus, there is no support for the fourth hypothesis.

Hypothesis five

The fifth hypothesis predicted that there will be significant relationships between employees' perceptions of role stress, as measured by role ambiguity, and their work-related attitudes and behaviors. Specifically, there will be significant negative relationships between perceptions of role ambiguity and both organizational commitment and job satisfaction, and there will be significant positive relationships between perceptions of role ambiguity and both resistance to change and propensity to quit. The fifth hypothesis is as follows:

Hypothesis 5: The greater the level of role ambiguity, the more dysfunctional employees' work-related attitudes and behaviors.

Hypothesis 5a: There will be a significant and negative relationship between role ambiguity and organizational commitment.

Hypothesis 5b: There will be a significant and negative relationship between role ambiguity and job satisfaction.

Hypothesis 5c: There will be a significant and positive relationship between role conflict and resistance to change.

Hypothesis 5d: There will be a significant and positive relationship between role ambiguity and propensity to quit.

Similar to the fourth hypothesis, four Pearson product moment correlation procedures were conducted to test the strength and direction of each of these hypothesized

relationships. The results of these analyses are presented in Table 7. As hypothesized, there were significant and negative relationships between role ambiguity and the measures of organizational commitment ($r=-.38, p<.01$) and job satisfaction ($r=-.56, p<.01$). Thus, as role ambiguity increased among the respondents, their levels of organizational commitment and job satisfaction decreased. As hypothesized, there were also significant and positive relationships between role ambiguity and the measures of resistance to change ($r=.34, p<.01$) and propensity to quit ($r=.39, p<.01$). That is, as role ambiguity increased among the respondents, their resistance to change and propensity to quit also increased. Thus, there was full support for the fifth hypothesis.

Hypothesis six

The sixth hypotheses predicted that there will be significant relationships between employees' perceptions of role stress, as measured by role conflict, and their work-related attitudes and behaviors. Specifically, there will be significant negative relationships between perceptions of role conflict and both organizational commitment and job satisfaction, and there will be significant positive relationships between perceptions of role conflict and both resistance to change and propensity to quit. The sixth hypothesis is as follows:

- Hypothesis 6: The greater the level of role conflict, the more dysfunctional employees' work-related attitudes and behaviors.
- Hypothesis 6a: There will be a significant and negative relationship between role conflict and organizational commitment.
- Hypothesis 6b: There will be a significant and negative relationship between role conflict and job satisfaction.
- Hypothesis 6c: There will be a significant and positive relationship between role conflict and resistance to change.
- Hypothesis 6d: There will be a significant and positive relationship between role conflict and propensity to quit.

Similar to the fifth hypothesis, four Pearson product moment correlation procedures were conducted to test the strength and direction of each of these hypothesized relationships. The results of these analyses are presented in Table 7. As hypothesized, there were significant and negative relationships between role conflict and the measures of organizational commitment ($r=-.45, p<.01$) and job satisfaction ($r=-.62, p<.01$). Thus, as

role conflict increased among the respondents, their level of organizational commitment and job satisfaction decreased. As hypothesized, there were also significant and positive relationships between role conflict and the measures of resistance to change ($r=.39$, $p<.01$) and propensity to quit ($r=.38$, $p<.01$). That is, as role conflict increased, respondents' resistance to change and propensity to quit also increased. Thus, there was full support for the sixth hypothesis.

Hypothesis seven

The seventh and final hypothesis predicted that employees' individual differences would influence their subjective interpretations of the downsizing environment. Specifically, the demographic factors of organizational tenure and age are hypothesized to be negatively related to perceived job insecurity, while the demographic variables of pay and education are hypothesized to be positively related to perceived job insecurity. The seventh hypothesis is as follows:

- Hypothesis 7: Employees' individual differences will influence their subjective interpretations of the downsizing environment.
- Hypothesis 7a: There will be a significant and positive relationship between pay and perceived job insecurity.
- Hypothesis 7b: There will be a significant and positive relationship between education and perceived job insecurity.
- Hypothesis 7b: There will be a significant and negative relationship between organizational tenure and perceived job insecurity.
- Hypothesis 7d: There will be a significant and negative relationship between age and perceived job insecurity.

Similar to the hypotheses four through six, four Pearson product moment correlation procedures were conducted to test the strength and direction of each of these hypothesized relationships. The results of these analyses are presented in Table 7. As hypothesized, there were significant relationships between perceived job insecurity and the demographic factors of wage ($r=-.12$, $p<.05$) and education ($r=-.12$, $p<.05$). However, the direction of these relationship were opposite from that hypothesized. That is, as employee pay and education increased, their degree of perceived job insecurity decreased. There was no significance in terms of the strength or direction of the relationships between

perceived job insecurity and the demographic factors of measures of organizational tenure ($r=-.02$) and age ($r=-.02$). Thus, there is no support for the seventh hypothesis and some of the results were contrary to prediction.

Summary of Findings

Table 11 presents a summary of the findings of this research. There was support for the prediction that there would be minimal differences in respondents' stress-related perceptions and attitudinal and behavioral responses across the five downsizing groups. As hypothesized, respondents across the five downsizing severity groups reported similar levels of job insecurity, role ambiguity, role conflict, organizational commitment, job satisfaction, job involvement, resistance to change, and propensity to quit. There was also support for the hypothesis that productivity, as measured by the campus-level measure of meals served per labor hour, would be significantly higher at those locations that had undergone more severe labor hour reductions.

No significant relationships were found between perceived job insecurity and the measures of organizational commitment, job satisfaction, resistance to change, or propensity to quit. However, significant relationships were reported among employees' perceptions of role stress, as measured by role ambiguity and role conflict, and their work-related attitudes and behaviors. Thus, employees with higher levels of role stress reported more dysfunctional attitudes and behaviors. That is, employees who reported higher levels of role ambiguity and role conflict also expressed lower levels of organizational commitment and job satisfaction, more resistance to change, and a greater propensity to quit.

Finally, there was no support for the hypothesized relationships between employee individual differences, as measured with demographic factors, and perceptions of job insecurity. Although there were significant relationships between perceived job insecurity and the demographic factors of wage and education, the direction of these relationship were opposite from that hypothesized. Thus, as employee pay and education increased, their degree of perceived job insecurity decreased. There were no significant relationships between perceived job insecurity and the demographic factors of organizational tenure and age.

Table 11
Summary of Research Results

Hypothesis	Prediction	Conclusion
H1	There will be minimal differences between the mean scores of the employees stress-related perceptions of the downsizing environment across the five groups of downsizing severity.	Support
H2	There will be minimal differences between the mean scores of employee attitudes and behaviors across the five groups of downsizing severity.	Support
H3	There will be a significant and positive relationship between downsizing severity and work unit productivity.	Support
H4	The greater the level of perceived job insecurity, the more dysfunctional employees' work-related attitudes and behaviors.	No support
H5	The greater the level of role ambiguity, the more dysfunctional employees' work-related attitudes and behaviors.	Support
H6	The greater the level of role conflict, the more dysfunctional employees' work-related attitudes and behaviors.	Support
H7	Employees' individual differences will influence their subjective interpretations of the downsizing environment.	No Support and Contrary to Predictions

CHAPTER 5

DISCUSSION

The purpose of this study was to investigate the individual-level effects of downsizing in a hospitality industry organization. This study utilized an organizational stress theoretical framework to address the following questions: (1) How do the objective dimensions of downsizing impact employees' subjective interpretations?; (2) How do the objective dimensions of a downsizing environment influence employees' work-related attitudes and behaviors? (3) How do employees' subjective interpretations of the downsizing impact their work-related attitudes and behaviors?; and (4) What impact do individual differences have on employees' subjective interpretations ?

There were 527 school cafeteria personnel from 87 campuses that participated in this study. The results indicated that downsizing severity, the objective dimension of downsizing, had little impact on employees' subjective interpretations or their attitudinal and behavioral responses. Downsizing severity, expressed as the percentage of school cafeteria labor hour reductions during the past year, ranged from 0 to 20 percent, with a mean annual reduction of four percent (i.e., October, 1992 to October, 1993). The results indicate that cafeteria employees at those campuses that had undergone more severe labor hour reductions did not report higher levels of perceived stress, as measured by job insecurity, role ambiguity, and role conflict. There was also little difference in employee levels organizational commitment, job satisfaction, job involvement, resistance to change, or propensity to quit across the cafeteria locations.

Contrary to the results of the present study, researchers have generally hypothesized that the objective dimension of downsizing severity will have a significant and positive relationship with employee perceptions of job insecurity, role ambiguity, and role conflict. A more severe downsizing also is suggested to result in more dysfunctional employee attitudinal and behavioral responses, such as reduced organizational commitment, decreased job satisfaction, less job involvement, more resistance to change, and increased propensity to quit. Two prior field studies that have tested these hypothesized relationships have reported mixed results. Owyar-Hosseini (1990) found that employees of savings and

loan organizations that had resorted to more severe work force reductions reported lower levels of job security, less organizational commitment and more resistance to change. Similar to the present study, no significant relationships were reported between downsizing severity and job satisfaction or propensity to quit. When comparing a sample of engineers and sales managers of organizations that had undergone mild and severe layoffs, Brockner, Grover, and Blonder (1988) reported that layoff severity was a predictor of job involvement, but only in those organizations with mild layoffs.

The most important factors contributing to the different results between the present study and prior field studies are likely to be associated with the downsizing methods selected and the severity of the work force reductions. Layoffs were selected as a downsizing method among organizations in the prior field studies, while there were no layoffs in the present study. Instead, the focal organization used what has been suggested to be the least severe downsizing method, a natural attrition program combined with a hiring freeze. Researchers have hypothesized that there will be less dysfunctional individual level effects when less severe downsizing methods are used. The downsizing was also not as severe in the focal organization as in organizations of prior field studies. For example, in the Owyar-Hosseini (1990) study, the severity of work force reductions ranged from 0 to 57 percent across six groups of respondents, compared to 0 to 20 percent range across five groups of respondents in the present study. Researchers have hypothesized that employees will react less negatively to a less severe downsizing.

The different results between the prior two field studies and the present study may be attributed to several other factors. First, the prior field studies were conducted across different organizations, while the present study was conducted across units within one organization. Second, different measures were used for most of the study variables. Owyar-Hosseini (1990) used a five-item perceived job security scale that was adapted from the "Job Future Ambiguity" scale (Caplan, Cobb, French, Harrison, and Pinneau, 1975). The present study used the 20-item perceived job insecurity scale adapted from the recently developed Job Insecurity Scale (Ashford, Lee, and Bobko, 1989). Third, the prior studies examined employee responses to work force reductions that had occurred over the prior two or three year period, while the downsizing period in the present study was only one year. Finally, the samples were different, as the prior studies were conducted among savings and loan personnel, engineers, and sales managers, and the present study was conducted among a sample of school food service personnel.

Several field studies have used an organizational stress framework to investigate individual-level responses to budget cutbacks. The organizations in these studies used a less severe downsizing method of natural attrition, with only a small number of layoffs being reported. Employees of these organizations generally reported increased stress and uncertainty, as measured by negative changes in job features (i.e., less pay, reduced promotional opportunities, and fewer rewarding experiences), increased levels in job insecurity, and more general uncertainty about the future (Hall and Mansfield, 1971; Jick, 1979; Murray and Jick, 1985). Practitioners and academics have argued that a more severe downsizing will lead to increased levels of role ambiguity and role conflict among employees. However, no prior field studies were identified that have examined these specific relationships. Tombaugh and White (1990) did report that survivors of a major layoff in a petrochemical plant perceived significant increases in work-related stress, as measured by role ambiguity and role conflict.

Several other objective dimensions of the downsizing environment in the focal organization are likely to have intervened to counteract the magnitude of stress-related perceptions among cafeteria employees at those campuses that had undergone more severe labor hour reductions. First, the organization in the present study used what is considered to be the least severe downsizing method, a combination of a natural attrition program and a hiring freeze. More voluntary and less severe downsizing methods such as natural attrition are suggested to elicit less job insecurity among employees than will involuntary and more severe downsizing methods such as layoffs without outplacement assistance (Greenhalgh, Lawrence, and Sutton, 1988; Sutton and D'Aunno, 1989). Greenhalgh and Rosenblatt (1984) proposed that the loss of job features would not result in as high a level of perceived job insecurity among employees as the threat of total job loss. Since none of the cafeteria employees in the focal organization were threatened by the loss of their jobs, perceived job security should be lower among employees than if the organization had resorted to layoffs.

Second, the program administrators carefully planned and implemented the downsizing. Researchers and practitioners have argued that a carefully planned and implemented downsizing program should less negatively impact the level of employees' perceived job insecurity (Greenhalgh, 1982; Jick, 1985; Brockner, 1992). In the focal organization this included: (1) management assurances regarding future job security, (2) a clear explanation of the reasons for the downsizing, and (3) management consultation with all cafeteria personnel in the development and implementation of cost-cutting and revenue

enhancement ideas. In the present study, cafeteria managers were allowed to make choices in achieving targeted budget cutbacks at their campuses. Greenhalgh and Rosenblatt (1984) posited that an employee's perceived degree of job insecurity may be reduced by other objective properties of the downsizing environment such as a participative organizational climate.

Third, most hourly cafeteria personnel were provided with new promotional opportunities, since the college degree requirement for the cafeteria manager position was discontinued. Brockner (1992) suggested that employees in a downsizing organization may perceive opportunities, as well as threats, with respect to their future job features. It is likely that a number of hourly employees in the focal organization perceived increased promotional opportunities, better pay, more rewards, higher status/self-esteem, or increased job autonomy. Conversely, cafeteria managers may have lost their sense of pride or status that formerly came as a result of having college degrees. Thus, the positive impact of perceived opportunities for some employees may serve to counteract the perceived threats of the downsizing faced by other employees.

There are several objective dimensions of the focal organization's downsizing environment that may have contributed to the lack of relationship between downsizing severity and employees' reported levels of role stress. First, the minimal differences in role ambiguity among employees could have been partially attributed to the lack of changes in existing cafeteria employee role responsibilities and reporting relationships. Second, although more tasks may have been required of fewer employees at those locations with more severe labor hour reductions, the perceived threat of role overload may have been counteracted by employees' perceived opportunities that resulted from the downsizing. Third, the changes in job features at those campuses that had more severe downsizing may have provided these employees with a higher degree of task variety, job autonomy, and task interdependence (Sutton and D'ainno, 1989; Brockner, 1988). Hackman and Oldham (1980) would suggest that these changes in work design would increase the motivating potential of their jobs. These positive changes may have served to counteract the negative effects of role overload.

Similar to the present study, most field studies in the downsizing environment of other organizations have usually reported little differences in employee attitudes and behavior when investigating one organization or several organizations. In the pre- or post-layoff environments of a number of organizations, researchers have reported little differences in attitudes or behaviors among employees anticipating layoffs or among laid

off victims and survivors (Zalkind and Despenzieri, 1973; Hershey, 1972; Belzung, Owens, and McNaughton, 1966; Gannon, Foreman, Pugh, 1973; and Blonder, 1976). Other researchers who have conducted field studies among organizations that have used less severe downsizing methods (i.e., natural attrition) to achieve budget cutbacks have also reported insignificance with respect to hypothesized dysfunctional shifts in employee attitudes and behaviors (i.e., Hall and Mansfield, 1971; Murray and Jick, 1985).

Based on the lack of dysfunctional shifts in employee attitudes and behaviors reported when layoffs were involved, it follows employees would report little difference in perceptions, attitudes, or behaviors when no layoffs are involved. In addition to the use of the least severe downsizing method, the presence of a number of other objective dimensions of the downsizing environment may have influenced the minimal differences in attitudes and behaviors reported by cafeteria employees across the campuses of the focal organization. As previously discussed, some of the more positive (or less negative) objective dimensions of this downsizing environment may have provided cafeteria employees at those locations that had the most severe labor hour reductions with future opportunities or less unfavorable future outcomes. These features of the focal organization may have served to counteract the dysfunctional attitudinal and behavioral responses that have commonly been associated with downsizing.

The results of the present study indicates a significant and positive relationship between downsizing severity and the campus-level productivity, as measured by the increase in meals served per labor hour. The campus-level change in meals served per labor hour from October 1992 to October 1993, a group-level productivity measure, indicates that of all 92 district campuses, 21 cafeterias reported a decrease in productivity, one cafeteria reported no productivity change, and the remaining 70 cafeterias reported a productivity increase. The change in campus-level productivity ranged from a decrease of 1.93 meals per labor hour served to an increase of 3.34 meals per labor hour served. The average change in productivity was an increase of .55 meals per labor hour served. Thus, the greater the cuts in campus labor hours, the greater the increases in group-level productivity.

There have been no prior field studies that have supported the traditional proposition that employees in more severe downsizing conditions will exhibit greater decreases in productivity. In a controlled laboratory setting, Brockner, Davy, and Carter (1985) reported that subjects in the layoff condition exhibited greater increases in productivity than those subjects in the no-layoff condition. In a field study of hourly

manufacturing workers, Hershey (1972) found no significant differences in production efficiency between employees in layoff and no-layoff groups. Similar to many downsizings, the focal organization targeted labor hour reductions specifically to those campuses that had achieved the lowest productivity levels in the prior year. Correspondingly, it should not be surprising that those campuses that achieved the greatest number of labor hour reductions reported significantly higher productivity increases than those campuses where there were no labor hour reductions.

When using the self-report work effort measure, the results indicate no relationship between downsizing severity and work effort. Although the lowest work effort mean score was reported by respondents at the campuses with the most severe downsizing, there were no significant differences reported among campuses. This lack of significance was not unexpected. Using a similar self-report scale, Owyar-Hosseini (1990) also found no significant relationships between downsizing severity and work effort in his study of growing and declining savings and loan organizations. Hall and Mansfield (1971) also reported no significant decreases in self-reported work effort among engineers in a research and development organizations that primarily relied on natural attrition to achieve their work force reductions.

There are several factors that have likely contributed to the lack of significance usually reported with this self-reported work effort scale. First, this scale has traditionally been criticized as a weak surrogate for job performance (Owyar-Hosseini, 1990). Second, as reported in Table 2 and in prior research, this scale has a low reliability and may not be adequate for testing purposes. Third, the extremely high work effort mean scores reported across campuses are inconsistent with the objective changes in campus-level productivity. Objectively measured campus-level productivity ranged from a decrease of 1.93 meals served per labor hour to an increase of 3.34 meals served per labor hour. However, according to the self-reported work effort scores, all cafeteria employees perceived that they had achieved similar productivity increases. This raises a question as to the accuracy of self-reports in measuring work effort. It also indicates that some employees may be actually working harder but, due to various environmental constraints, they may not be working more efficiently.

The results show no support for the hypothesized relationships between perceived job insecurity and employee attitudinal and behavioral reactions. Weak relationships were reported between perceived job insecurity and the employee work-related attitudinal and behavioral responses of organizational commitment, job satisfaction, resistance to change,

and propensity to quit . However, all of these relationships were in the direction predicted. As predicted there was a negative relationship between perceived job insecurity and the attitudinal responses of organizational commitment and job satisfaction. There was also the positive hypothesized relationship between perceived job insecurity and the measures of resistance to change and propensity to quit. Several prior field studies conducted among employees of downsizing organizations have reported significant relationships between perceived job insecurity and attitudinal and behavioral responses. Owyar-Hosseini (1990) reported that perceptions of job security among a sample of savings and loan employees were significantly and positively related to job satisfaction and organizational commitment, and significantly and negatively related to resistance to change and propensity to quit. In a study involving employees of downsizing hospital system, Greenhalgh (1979) and Jick (1979) found negative and significant relationships between job security and resistance to change and propensity to quit.

The different results reported between prior field studies and the present study may be attributed to several factors. First, different measures were used for the study variables. Second, the objective dimensions of the downsizing environment that were previously discussed (i.e., downsizing severity, downsizing method, downsizing planning and implementation, etc.), were different among those organizations investigated. Third, the samples populations were different, as the prior studies were conducted among savings and loan personnel and hospital employees, while the present study was conducted among a sample of school foodservice personnel.

The present study used a 20-item subscale of the recently developed the Job Insecurity Scale (Ashford, Lee, and Bobko, 1989) to serve as a more global measure of the perceived job insecurity construct. The Job Insecurity Scale (JIS) includes five components: (1) the importance of job features; (2) the threat to job features' continuation; (3) the importance of the total job; (4) the threat of changes of the total job; and (5) the powerlessness to prevent a loss. Contrary to the results of the present study, when testing the JIS among a diverse group of employees, Ashford, Lee, and Bobko (1989) reported significant and negative relationships between perceived job insecurity and the attitude measures of organizational commitment and job satisfaction. They also reported that perceived job insecurity was significantly and positively related with propensity to quit. The present study used the same scales as those used by Ashford, Lee, and Bobko (1989) to measure organizational commitment, job satisfaction, and propensity to quit.

The different results between the JIS testing procedure and present study may be attributed to several factors. First, the present study used a 20-item subscale of the JIS, which included the 17-item Likelihood of Job Features Continuation subscale and the 3-item Powerlessness subscale. The index's 17-item Importance of Job Features subscale, the 10-item Importance of Total Job subscale, and the 10-item Perceived Threat to Total Job subscales were not included in the present study. Second, the school food service personnel in the present study represented a quite different occupation from the respondents of the JIS testing procedure. Ashford, Lee, and Bobko (1989) tested their instrument among a sample that included 59 industrial hygienists, 71 internal auditors, 35 registered nurses, and 18 part-time students who were employed full-time in various organizations. Third, there is no evidence that any these employees in their sample worked in organizations that were undergoing a downsizing. According to Greenhalgh (1983b), most employees in stable or growing organizations will not likely be that concerned about job security. In these situations, the job insecurity construct has usually demonstrated limited explanatory power, since the employees of these organizations are probably not as concerned about their employment stability.

The present study did report a significant and positive relationship between perceived job insecurity and role ambiguity. Although not as strong, a significant and positive relationship was also reported between perceived job insecurity and role conflict. Since all three of these variables are considered correlates of work-related stress, these relationships are not surprising. These results were similar to those reported Ashford, Lee, and Bobko (1989). Following a regression analysis, Ashford, Lee, and Bobko (1989) reported that role ambiguity, but not role conflict, was a significant predictor of perceived job security. In response to the lack of significance between role conflict and perceived job insecurity, Ashford, Lee, and Bobko (1989) concluded that the conflicting expectations associated with interrole conflict or role overload may not affect individual perceptions of the continuity of job features or the job itself.

The results of the present study support Jick's (1985) proposition that the general future uncertainty surrounding budget cuts may result in employee perceptions of role ambiguity or conflict. As hypothesized, employee work-related attitudes and behaviors are more dysfunctional when they report a higher degree of role stress, as measured by role ambiguity and role conflict. Specifically, as employees reported higher levels of role ambiguity and role conflict, their levels of organizational commitment and job satisfaction decreased. Further, as higher levels of role ambiguity and role conflict are reported among

employees, they also report increased levels of resistance to change and propensity to quit. These results are consistent with the only study identified that examined these relationships in the context of a downsizing environment. Through interviews and survey data on 236 employees surviving a major layoff, Tombaugh and White (1990) reported that respondents with higher levels of role ambiguity and role conflict reported more dissatisfaction with the organization and a greater propensity to quit.

The results of the present study are supported by prior empirical research that reported both role conflict and role ambiguity to be significantly and positively related with propensity to quit (Jackson and Schuler, 1985), and negatively related with job satisfaction (Kahn, Wolfe, Quinn, Snoek, and Rosenthal, 1964; Breugh, 1980; Jackson and Schuler, 1985), job involvement (Schuler, Aldag, and Brief, 1977; Fisher and Gitelson, 1983; Jackson and Schuler, 1985), and organizational commitment (Fisher and Gitelson, 1983; Jackson and Schuler, 1985). Role conflict and role ambiguity have also been clearly demonstrated to correlate with each other (Jackson and Schuler, 1985; Van Sell, Brief, and Schuler, 1981).

In the present study, significant and negative relationships were reported between role ambiguity and job involvement and between role conflict and job involvement. These findings are consistent with those of prior empirical studies that have reported that role conflict and role ambiguity are negatively related to job involvement (Schuler, Aldag, and Brief, 1977; Fisher and Gitelson, 1983; Jackson and Schuler, 1985). Hall and Mansfield (1971) suggested that the job involvement construct may represent more of a personality trait than an attitude, a possibility that has also been proposed by a number of other researchers (Lodahl and Kejner, 1965; Rabinowitz and Hall, 1977; Schwartz, 1980). They have suggested that if job involvement is considered a personal characteristic, then this construct may change little during periods of organizational stress, such as work force reductions. The strong relationships in the present study between the role stressors and job involvement provide evidence that is contrary to the suggestion that job involvement may be more of a personality trait than an attitude. There was also a significant and positive relationship between role ambiguity and role conflict. Role conflict and role ambiguity have also been clearly demonstrated to correlate with each other in prior research (Jackson and Schuler, 1985; Van Sell, Brief, and Schuler, 1981).

There were no prior empirical investigations identified that have examined the relationships between perceived job insecurity and demographic variables. However, Jick (1979) did report that pay, education, organizational tenure, and age were significant

predictors of attitudinal and behavioral responses among a sample of hospital employees in a downsizing organization. Based on the results of Jick's (1979) study, and the support of prior research in demonstrating the correlation between perceived job insecurity and employee attitudes and behaviors, the present study predicted that perceived job insecurity would also be significantly related with employee pay, education, organizational tenure, and age.

As predicted, there were significant relationships between perceived job insecurity and the demographic factors of wage and education. However, the direction of these relationships were opposite from that hypothesized. As employees' level of pay and education increased, their degree of perceived job insecurity decreased. In the focal organization, cafeteria managers represent those respondents with more education and higher pay. Since the college degree requirements for the cafeteria manager position were recently discontinued, it was anticipated that these individuals would have feared being replaced by lower paid and non-degreed employees. In addition, an assumption was also made that managers would perceive to have lost some of the valued features of their jobs (i.e., status, prestige, promotional opportunities, rewards, etc.). Conversely, non-managerial employees with a high school diploma were expected to have perceived more positive features (i.e., promotional opportunities, status, pay, rewards, etc.) with respect to their future jobs in the organization.

Unlike hypothesized, there was no significance in terms of the strength or direction of the relationships between perceived job insecurity and the demographic factors of organizational tenure and age. On average, cafeteria managers were assumed to have less organizational tenure and be younger than their subordinates. Based on our previously discussed assumptions relevant to the perceptions of management and non-management cafeteria personnel, it was also anticipated that older and more tenured employees would have reported less perceived job insecurity. However, weak relationships were reported between perceived job insecurity and the suggested moderators of organizational tenure and age.

Several factors may have contributed to the unanticipated or non-significant relationships between perceived job insecurity and demographic factors. First, the labor hour reductions would have likely impacted non-management personnel more directly than management personnel. Although employees may not be threatened by total job loss, they may fear a reduction in their hours or the involuntary transfer to another campus. These changes would less likely threaten cafeteria managers. Second, the accuracy and

completeness of the reported demographic information may be questioned. For example, over one-third of the respondents indicated that their hourly pay is over \$9 per hour. However, it is likely that few non-management personnel (i.e., over 80 percent of the respondents) actually receive this high of an hourly wage. Further analysis later revealed that most employees are more familiar with discussing their pay in terms of monthly or weekly dollar amounts. Many respondents were also reluctant to indicate their age. This may be reflected by the fact that 23 percent of the survey participants did not provide their date of birth. There was also apparent confusion among a number of respondents as to their correct tenure with the organization. Third, there may have been incorrect assumptions regarding the dichotomy of organizational tenure and age. That is, on average, management personnel may not have been younger or less tenured than their subordinates.

Contributions of the Research

The present study addressed several theoretical and methodological gaps identified in the literature. First, this field study represents one of the few empirical investigations that has specifically focused on the individual-level responses to downsizing. Despite the theoretical and practical significance, there have been few empirical investigations of employees' reactions to downsizing (Brockner, 1988). Further, the empirical research conducted in downsizing organizations has primarily focused on other more general phenomena, such as budget cutbacks, mergers, and organizational decline.

Second, the study was high in external validity. Unlike the laboratory experiments that have investigated survivors' reactions to layoffs, the present study was conducted in the context of a downsizing environment. Since there is little at stake in a laboratory experiment and subjects are usually unacquainted, the external validity of the results from these prior experiments has been questioned. This present study responded to the call by researchers to examine the individual-level responses to downsizing in the organizational context in which they actually occur. To increase the internal validity of the present study, all of the respondents in this sample came from the school cafeterias of one organization. Further, the study participants performed similar tasks and had similar responsibilities and reporting relationships.

Third, this study was conducted in the context of a hospitality industry organization. Despite the prevalence and significance of downsizing activities in the hospitality industry, there has been little evidence of theoretical or empirical research concerning the individual-level effects of downsizing in hospitality industry organizations. Instead, prior field studies have been conducted among samples of employees in manufacturing or petrochemical plants, government defense-related contractors, savings and loan organizations, hospitals, and units of a national retail chain.

Fourth, the present study used the organizational stress literature to develop a conceptual model to investigate employees' reactions to downsizing and examine the objective, subjective, and individual differences. Since most previous studies have used few variables to investigate the individual-level effects of downsizing, a conceptual model had not been fully developed to guide future empirical research efforts. Additionally, there have been few empirical investigations of the relationships between the objective dimensions of downsizing and the subjective determinant variables. Instead, most prior studies have examined the relationships between the objective or subjective determinant variables and employees' work-related attitudes and behaviors. There have also been few studies to examine the impact of individual differences in moderating the individual-level effects of downsizing. Correspondingly, researchers have called for future studies to establish an organizational stress theoretical framework to more fully explain the individual-level effects of downsizing (Brockner, 1988; Brockner, Grover, and Blonder, 1988; Brockner, Grover, Reed, and Dewitt, 1992).

Fifth, most empirical investigations in the context of a downsizing environment have focused on the effects of layoffs on the survivors, or those employees who survive the layoffs and remain in the organization. This is not surprising, since layoffs are hypothesized to create more dysfunctional consequences than any other downsizing method. However, layoffs represent only the most severe method of downsizing and is often chosen by organizations only as a last resort. The present study was conducted in an organization that did not select layoffs as a downsizing method. Instead, management selected to use less severe methods of downsizing, such as natural attrition with a hiring freeze. This long-term and more humane approach to downsizing is similar to that being used by most public and private sector organizations in today's work environment.

Sixth, this study administered objective and subjective measures that have been rarely used in examining the relationship between the objective dimensions of downsizing and employees' subjective interpretations. These measures included downsizing severity,

perceived job insecurity, role ambiguity, role conflict, unit-level productivity, and demographic factors. For example, a subscale of the recently developed Job Insecurity Scale (Ashford, Lee, and Bobko, 1989) was used to measure the job insecurity construct. Greenhalgh (1983b) argued that since perceived job insecurity usually appears as a component of a unitary global variable of job satisfaction, the content validity of this construct must be questioned. In addition, the construct has demonstrated limited explanatory power due to its use in the context of stable organizations where the construct has low salience. Due to the importance of job insecurity to organizations, understanding the objective dimensions of downsizing that influence it will provide a basis for preventive programs (Ashford, Lee, and Bobko, 1989).

Limitations of the Study

The results of the present study should be viewed with caution for several reasons. First, this study may not be generalizable to other field setting since it was conducted in a foodservice program of one public school system of a southeastern U.S. city. The results could have differed in the other departments of this same school system, or within the school foodservice programs or various departments of other public school systems. With respect to the hospitality industry, the work environment in a school foodservice program may significantly differ from the environment characterized by other organizations. Within the food service industry, there is much more employment stability in a school foodservice program than in a fast-food restaurant. This may be illustrated by the mean tenure of over 11 years among employees of the focal organization. This contrasts with an average tenure of only three to six months for an employee of a fast-food chain. Further, the mean age of respondents in the present study was approximately 44 years, while a large percentage of the work force population in fast-food chains are under 20 years of age.

Second, the only objective measure used in the present study was that of downsizing severity. However, there could have been numerous other objective features within the work environment that contributed to the study's results, such as: (1) the extent of budget cutbacks in non-personnel areas; (2) the criteria used to select which campuses and positions would be affected; (3) the advance notification provided to affected employees; (4) the intended and unintended communication (i.e., nature of delivery and content of message) of the downsizing to employees; (5) the frequency of the labor hour

reductions at each campus; (6) the downsizing methods used; (7) the changes in work routines; (8) the involvement of employees in the downsizing process, (9) and the existing culture of the organization.

Third, certain situational constraints in the focal organization may have reduced the level of accuracy or completeness of cafeteria employee responses. Due to the large number of campuses, cafeteria managers were assigned the responsibility of survey administration. Although steps were taken to ensure confidentiality (i.e., no employee identification required, use of sealed envelope, etc.), employees may have been hesitant to indicate their true feelings due to their fears that their superiors may read their responses. Timing or facility factors may have also influenced the accuracy or completeness of employee responses. The questionnaires were administered in 20 to 30 minute periods to most employees at the end of their work shift and in sometimes noisy cafeteria dining areas. Thus, many of the respondents were probably tired and frequently distracted. It was also learned that not all respondents worked independently in completing their questionnaires. That is, during the survey administration at some campuses, respondents were observed discussing questionnaire items with co-workers. Finally, since approximately eight percent of the respondents had not completed high school, they may not have fully understood all of the questionnaire items.

Fourth, although researchers have called for a longitudinal design to assess the hypothesized temporal nature of the strength of individual-level responses to downsizing, the present study used a cross-sectional design. Since anxiety and rumors concerning layoffs were already present in the focal organization, a longitudinal design was not used in this study. For similar reasons, few longitudinal studies have been conducted in the context of a downsizing environment. However, unlike most prior field studies, measures were taken in the midst of a downsizing environment. Most previous empirical research has been conducted in a post-layoff environment, months after the last layoffs are completed. In the context of these work settings, researchers have conducted retrospective self-report assessments of survivors to compare "pre-change" factors (i.e., before the layoffs occurred) with "post-change" (after the layoffs occurred) factors. The inherent weakness in this approach is that the actual employee responses that would have occurred during the height of the layoffs is likely to have waned over the two to three year post-downsizing period.

Sixth, the research model in Figure 3 on which the hypotheses for this study were based, implies causality. However, this study is correlational in design and examined static

relationships among a number of variables. Since a number of the study's measures have rarely been examined in the context of a downsizing environment, this study was designed as a first step toward the use of more advanced statistical analyses to explore the causality and direction of these relationships. Further, since there have been no prior theoretical or empirical research on the topic of downsizing in the hospitality industry, the present study was more exploratory in nature and represents a foundation for further research.

Implications for Theory and Practice

This research examined the individual-level effects of downsizing in the context of a hospitality industry organization. As such, the results of this study provide several theoretical and practical implications.

Implications for theory

Results from this research should serve to broaden the theoretical framework from which the individual-level responses to downsizing may be explained. Prior empirical research has focused on survivors' reactions to layoffs, the most severe downsizing method. Unlike most prior studies, the present research established an objective characteristic of downsizing (i.e., downsizing severity) to examine employee stress-related perceptions and attitudinal and behavioral responses in the context of an organization currently undergoing a less severe downsizing. Downsizing severity had minimal impact on employee stress-related perceptions, as expressed in terms of job insecurity, role ambiguity, and role conflict. Since employee stress-related perceptions are suggested to be related with their attitudinal and behavioral responses, it was not surprising to find that downsizing severity also had little effect on employee attitudinal and behavioral responses. From an individual well-being perspective, the success of this downsizing may be illustrated by the absence of more negative or dysfunctional reactions from employees at those cafeterias that underwent more severe labor hour reductions.

This also represents the first theoretical or empirical research regarding the topic of hospitality industry downsizing. As such, a theoretical framework has been established for academics to examine the individual-level effects of downsizing in the context of a hospitality organization. A number of variables were used in this study to empirically test

the hypothesized relationships. Thus, this research provides a basis for hospitality industry researchers to further test these relationships and refine the theoretical base, as necessary.

Rather than relying on the self-report measure of work effort, the present study combined an objective measure of work unit productivity with the traditionally used self-reported work effort index. Since prior research has reported this work effort index to be a weak surrogate of productivity, this study provided researchers with evidence as to the often suggested advantage of using objective performance measures. As expected, a significant and positive relationship was found between downsizing severity and the campus-level productivity. Not surprisingly, when using the self-report work effort measure, the results indicate no relationship between downsizing severity and work effort. Contrary to the propositions by most researchers, this study illustrated that the greater the cuts, the greater the increases in group-level and organizational productivity. Although individual-level productivity may not have drastically changed with these cuts, the focal organization experienced an overall increase in productivity and a corresponding decrease in payroll costs. The absence of negative or dysfunctional individual-level effects and the increase in productivity and corresponding cost reductions resulted in a "win-win" situation for the organization and its employees.

This study also has implications for organizational stress research by providing empirical support for those relationships that have often been reported under other organizational conditions. That is, work-related attitudes and behaviors are more dysfunctional when employees report a higher degree of role stress, as measured by role ambiguity and role conflict. Specifically, as employees report higher levels of role ambiguity and role conflict, their levels of organizational commitment, job satisfaction, job involvement, and work effort decrease. As role ambiguity and role conflict increase, employees are also more resistant to change and have greater intentions to leave the organization. The lack of relationships reported between perceived job insecurity and attitudinal and behavioral responses may need further investigation, since this was the only field study identified that has used the Job Insecurity Scale (Ashford, Lee, and Bobko, 1989). This scale may require further refinements, based on further testing.

A first step was taken to empirically test some of the demographic factors identified in the theoretical literature to moderate employee perceptions of job insecurity. Although in a direction opposite to that hypothesized, there were significant relationships between perceived job insecurity and the demographic variables of wage and education. As employees' level of pay and education increased, their degree of perceived job insecurity

decreased. Based on the lack of significance reported in a prior field study by Blonder (1976) and the results of the present study, demographic factors may have a more significant moderating effect on employees' subjective interpretations than they do on their attitudinal and behavioral responses. This may be supported by further empirical testing with more advanced statistical techniques.

Implications for practice

The findings of this study should provide managers with insights into how to appropriately plan and implement a downsizing so as to elicit less work-related stress and more positive (or less negative) behavioral and attitudinal reactions from employees. The focal organization in the present study achieved several outcomes that have been rarely reported among downsizing organizations. First, increased promotional opportunities were provided to most employees. Second, the most valuable cafeteria personnel were retained, despite the presence of the downsizing. Third, there was no more work-related stress or dysfunctional attitudes and behaviors among those employees of cafeterias that had undergone the most severe downsizing. Fourth, unit-level and organizational productivity increases were realized. Fifth, the organization experienced a radical improvement in bottom line cash flow, as a cash deficit in the 1992/93 school year was transformed into a \$847,000 cash surplus in the 1993/94 school year. The overall success of the downsizing are indicated by the "win-win" situation that was achieved from the perspective of both the organization and individual well-being.

The success of the downsizing in the present organization may be attributed to a number of factors that should be considered by managers who are involved in the planning and implementation of a downsizing program. Although only one objective characteristic of the focal organization's downsizing was measured, the following objective features in the work environment of this organization likely contributed to the success of this downsizing.

- 1) Program administrators achieved budget cutbacks in areas that did not adversely impact the core work force of valued employees. For example, the replacement of vacated full-time positions with student workers that participate in school vocational education programs significantly reduced the program's compensation and benefits expenses, since these workers are

employed for fewer hours and do not receive the school system's costly employee benefit package.

- 2) Specific campuses were targeted for labor hour reductions, based on objective productivity standards. Unlike typical across-the-board cuts, this strategy eliminated the possibility of labor cuts being implemented at campuses that were already operating efficiently.
- 3) The least severe downsizing method was selected to achieve the targeted payroll cuts. The combination of a hiring freeze and natural attrition program allowed the program to achieve a four percent reduction in labor hours over the first year of the program. At this rate, it will take five years to achieve the targeted 20 percent reduction in labor hours.
- 4) The Food Service Director formally communicated the downsizing program to all personnel well in advance of program implementation. This included assurances that there would be no layoffs and the understanding that there would be few changes to valued job features (i.e., pay, promotional opportunities, rewards, etc.). Conversely, the elimination of the degree requirements for cafeteria managers increased the promotional opportunities and wage potential for most cafeteria personnel.
- 5) The work routines and reporting relationships of cafeteria personnel remained virtually unchanged. The only significant change at some campuses was the increased task variety and job challenges assumed at some campuses where personnel were being prepared for future promotions that were made possible through this downsizing program.
- 6) Managers were rewarded for innovative ideas relevant to increases revenue or decreasing expenses. For example, the manager of one cafeteria was awarded for developing a new breakfast service that increased student participation by over 200 percent. Not only do these type of changes result in bottom line improvements, the increased number of meals served with the same number of labor hours results in increased campus-level productivity.

- 7) The retirement of the former program director provided a "window of opportunity" for an intervention program to increase the financial stability of this organization. The successful implementation of the downsizing program was facilitated by the new program administrator's strong leadership skills, management background, organizational understanding, desire for improvement, open-mindedness, and willingness to change. These changes were only made possible through the autonomy and support provided to the new program director from community business leaders, school board members, and school system administrators.

The results of this study indicate that managers of all organizations should maintain a key awareness of the degree of perceived role stress among employees in their organizations. If managers are unable to maintain a relatively low degree of work-related stress among their employees, dysfunctional individual and organizational outcomes are likely to occur. This may include reduced organizational commitment, decreased job satisfaction, less job involvement, reduced work effort, more resistance to change, and increased turnover among valued employees. To reduce the likelihood of these negative consequences, managers must identify techniques to reduce employee perceptions of role ambiguity and role conflict. Based on the results of the present study, this may include the implementation of gradual work-related changes, management assurances of job security, and the enhancement of job features (i.e., more rewards, increased promotional opportunities, more pay, etc.) for the organization's most valued employees.

Managers may also note individual differences among their employees to attempt to isolate those individuals that would be more "at risk" in a downsizing environment. A clarification of the association between individual differences and employee reactions may enable managers to identify those employees whose attitudes and behaviors will be most negatively affected by the downsizing. In the focal organization, younger and less educated workers reported higher levels of perceived job insecurity. Thus, managers may make a more concerted effort to communicate assurances of future job security to these individuals to relieve their level of stress and anxiety.

Future Research Directions

Although this research tested the relationship between downsizing severity and employees' stress-related perceptions and their attitudinal and behavioral responses, the objective dimensions of the downsizing process sorely need further empirical research in the context of organizational environments. The following are some of virtually unresearched objective downsizing properties and pertinent research questions that should be examined.

- 1) Downsizing alternatives. There was no empirical research identified that has supported the popular practitioner opinions that downsizing alternatives produce more positive or less negative outcomes than the use of a downsizing program. Are there significant differences in the individual-level responses when an organization conducts non-personnel budget cutbacks without resorting to payroll cuts?
- 2) Downsizing methods. Greenhalgh, Lawrence, and Sutton (1988) proposed that management may choose from a five-level hierarchy of downsizing methods: 1) natural attrition with a hiring freeze, 2) induced redeployment, 3) involuntary redeployment, 4) layoffs with outplacement assistance, and 5) layoffs without outplacement assistance. Is there an optimal mix of downsizing methods that management may use in achieving both individual well-being and long-term organizational effectiveness?
- 3) Downsizing frequency. Owyar-Hosseini (1990) reported that more frequent downsizing results in greater perceptions of job insecurity and more dysfunctional attitudinal and behavioral processes. However, it is unclear as to what the optimal frequency of a downsizing program may be. Will the long-term impact of an ongoing downsizing program more adversely impact organizational effectiveness than a more short-term, one-time-only cutbacks?

- 4) Downsizing implementation tactics. The topics most frequently addressed in practitioner and academic literature concerning downsizing implementation deal with the objective dimensions of: (1) the decision rules or selection criteria used to determine which positions or locations will be affected and how they will be affected; (2) the formal communication between management and employees; (3) the advance notification provided to affected employees; and (4) the extent of caretaking services provided to laid off victims. Although these first three dimensions are relevant to all downsizing programs, they have been examined only from the perspective of layoffs. Do more dysfunctional consequences occur when only lower-level, hourly workers are affected in the job cuts? How does the delivery and content of formal communication regarding a downsizing impact employee reactions? What constitutes a sufficient downsizing advance notification, so as to elicit the least favorable employee reactions?
- 5) Organizational culture. Do employees of more traditionally paternalistic organizations react more unfavorably if their firm implements a downsizing program? Although there has been no theoretical or empirical research on these objective properties, Brockner (1992) suggests that downsizing may be perceived more unfair by employees of traditionally paternalistic organizations that had committed to a long established policy of employment security. In these situations, survivors may perceive that the organization has broken its implied psychological contract.

Future researchers on the topic of downsizing should carefully consider the differences in the objective features of the industry or industries of the organization or organizations examined. For example, the foodservice industry is characterized by peak and off-peak demand. This uneven flow of production and service differs dramatically from a high technology manufacturing plant, where workers build or develop products on a fairly continuous basis. Further, the work force of the food service industry is primarily made up of unskilled workers who receive minimum wage. This is contrasted to a more skilled work force of higher paid, full-time employees in a high technology manufacturing plant. These industry structural differences results in a very important distinguishing

feature of these two work place settings that significantly impact management's choice of downsizing method: the rate of annual employee turnover.

Although annual employee turnover in school foodservice programs is usually well below the 300 percent rate of many fast food restaurants, turnover among school cafeteria personnel is likely to be well above that of many other occupations. As a result of turnover and non-continuous customer demands, the focal organization was able to achieve work force reductions through the use of the less severe downsizing program. Further, the replacement of vacated full-time positions with part-time workers allowed for a net decrease in labor hours, but not actual positions. These options may not have been as readily available to management of organizations in other industries.

Due to the differences in the nature of hospitality industry organizations, downsizing should not be thought of on the traditional lines of the elimination of positions. For example, most of the positions in the focal organization are required to handle student demand during the peak lunch period. However, most of these employees are not needed for a seven or eight hour shift. Since many of these workers are only needed for three to four hours per day, the replacement of vacated full-time positions with part-time workers allowed the focal organization to realize a net reduction in labor hours. This, in turn, resulted in increased productivity and reduced payroll costs without negatively impacting customer service. Thus, when examining hospitality organizations and other service industry organizations with similar structural characteristics, researchers should use labor hour reductions rather than the elimination of positions to define the downsizing severity measure.

The results of this study indicates that the downsizing or layoff severity measure should be more uniformly defined. Based on the different measurements of downsizing severity used in this and three previous field studies, there remain a number of unanswered questions. What is the objective difference between a mild downsizing and a severe downsizing? Are there specific classifications that can be used to dichotomize downsizing severity? Until this measure is more uniformly used, it will be difficult to make accurate comparisons between studies.

The Job Insecurity Scale needs to be further tested in the context of other downsizing organizations. No prior studies were identified that have used this index to examine employee perceptions of job insecurity in a downsizing organization. The results of the present study indicate few significant relationships between the perceived job insecurity construct and other study variables. Based on the original testing of this scale,

this measure was anticipated to be significantly related to organizational commitment, job satisfaction, resistance to change, and propensity to quit. However, only a 20-item subscale was used to measure two of the scale's five dimensions. Thus, a more complete use of this index may produce different results.

Researchers should continue to examine the impact of individual difference variables in moderating the impact between the objective features of the downsizing environment and employees' attitudinal and behavioral reactions. The wage and education variables represented the demographic factors that demonstrated the most significant relationship with other variables used in the present study. Other individual difference variables, such as employees' personality traits, prior experiences and attitudes, and economic factors should be further tested for their impact in moderating these relationships.

The present study was correlational in design and used a sample of employees from one organization to examine the relationships among variables in the conceptual model presented in Figure 3. Future empirical research should use this model as a base for testing and refinements. This will require the use of more advanced statistical techniques that will imply prediction and causality as to the direction of these hypothesized relationships. Further, longitudinal field studies will be required to assess the strength and duration of employee reactions to downsizing.

Conclusions

This study represents one of the few empirical investigations that has examined the individual-level effects of work force reductions in the context of a downsizing environment. Further, there has been no prior theoretical or empirical research on the topic of downsizing in the hospitality industry. Despite the prevalence of ongoing downsizing activities in today's organizations, there have been few empirical investigations of employees' reactions to work force reductions. Although practicing managers may find downsizing to be phenomenon not applicable to academic research, evidence presented in this study clearly indicates that management can take a number of steps to counteract those negative consequences that have been traditionally associated with downsizing.

The results of this study indicate that downsizing severity, the objective dimension of downsizing, has no negative impact on employees' subjective interpretations or their attitudinal and behavioral responses. Since the organization also achieved an increase in

employee productivity, reduced payroll costs, and a significant increase in bottom line cash flow, this downsizing can be considered a success. The successful downsizing achieved by the focal organization is outside of the mainstream of the practitioner beliefs and opinions that focus only on the "downside of downsizing." Rarely have academics or practitioners stressed the potential advantages and merits of a downsizing. According to most surveys of corporate executives responsible for overseeing work force reductions, most downsizing efforts have failed miserably from the perspective of both the individual and the organization. These executives have indicated that downsizing was the wrong strategy for their organization and, if required to make the choice again, they would elect not to downsize. There is also evidence that U.S. non-farm productivity increased by only one percent in the 1980's, despite massive work force reductions.

Based on the successful downsizing achieved by the focal organization, this research revealed a number of factors relevant to the objective dimensions of the downsizing environment that may serve to counteract potentially negative consequences. The results of this study indicate that an effective downsizing program may not only serve to reduce the likelihood of the occurrence of negative consequences, but that positive outcomes may actually result from both the organizational and individual perspective. Employees' reactions to a downsizing have been suggested to significantly impact an organization's long-term effectiveness. The success of the downsizing program in the focal organization should serve as a model to help managers better understand how a downsizing might impact their employees so that they can plan and implement a downsizing program that is designed to facilitate long-term organizational effectiveness.

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APPENDIX A

Survey Instrument Cover Letter

TO: All East Baton Rouge Parish Full-Time and Day-by-Day School
Cafeteria Personnel

FROM: Joe Hutchinson
Department of Hotel, Restaurant, & Institutional Management
Virginia Polytechnic Institute & State University

DATE: October 13, 1993

SUBJECT: Survey Questionnaire

The attached questionnaire is part of a study that I am conducting to examine the effects of work force reductions. I am particularly interested in your own personal opinions and reactions to the work force reductions that have occurred in the East Baton Rouge Parish School Food Services Department during the past year.

This questionnaire is to be completed by all management and non-management personnel who are classified in full-time or day-by-day (part-time) positions and work in an East Baton Rouge Parish school cafeteria.

Student workers (DOE and COE), management trainees, college interns and employees from the Baton Rouge Preparatory School are not requested to complete this questionnaire.

Thank you for participating in this survey. When completing the attached questionnaire, please follow these instructions:

- Do not put your name anywhere on the questionnaire. This is to make sure that your individual answers remain confidential.
 - Place a (✓) by all items on this questionnaire and proceed in the proper order through all four parts of the questionnaire.
- Be as honest as possible in expressing your feelings and opinions. There are no right or wrong answers.
- Move quickly through this questionnaire and do not spend too much time on any one item. Do not go back and correct any of your answers.
 - When you are finished, please enclose your completed questionnaire in the brown envelope that you have been given and return the sealed envelope to your cafeteria manager.

Again, thank you very much for assisting me in this important study!

Joe C. Hutchinson

A Land-Grant University-The Commonwealth Is Our Campus
An Equal Opportunity / Affirmative Action Institution

APPENDIX B
Survey Instrument

PART 1

OPINIONS ABOUT YOUR FUTURE JOB IN THIS ORGANIZATION

This part consists of a set of questions concerning the likelihood that you believe that certain aspects or features of your present job will become less attractive in the future.

Looking into the future, please answer the following questions by choosing the answer which comes closest to what you believe is the likelihood that negative changes will occur in your job. These are changes that you do not want or might disagree with that would make your job less attractive to you. Please read each question carefully and place a check (✓) in the space over the answer that you believe best describes the likelihood that negative changes in will occur to your future job in this organization

1. Your campus location?

Negative
Change
Very Unlikely

Negative
Change
Unlikely

Negative Change
Neither Likely
nor Unlikely

Negative
Change
Likely

Negative
Change
Very Likely

2. Your promotional opportunities?

Negative
Change
Very Unlikely

Negative
Change
Unlikely

Negative Change
Neither Likely
nor Unlikely

Negative
Change
Likely

Negative
Change
Very Likely

3. Your potential to maintain your current level of pay?

Negative
Change
Very Unlikely

Negative
Change
Unlikely

Negative Change
Neither Likely
nor Unlikely

Negative
Change
Likely

Negative
Change
Very Likely

4. Your potential to receive future pay increases?

Negative
Change
Very Unlikely

Negative
Change
Unlikely

Negative Change
Neither Likely
nor Unlikely

Negative
Change
Likely

Negative
Change
Very Likely

5. The status that comes with your position?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
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6. Your freedom to schedule your own work?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

7. Your freedom to perform your work the way that you want to?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

8. The people and equipment available to accomplish your assigned tasks?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

9. The sense of teamwork in among your co-workers?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
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10. The amount of feedback you receive from your supervisor?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
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11. The supervision you receive?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
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12. The physical demands of your job?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

13. The amount of time you have to talk with teachers and students?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

14. The variety of tasks that you perform on your job?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

15. The chance to complete your tasks from start to finish?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

16. The importance of your job?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
--	---------------------------------------	--	-------------------------------------	--

17. The degree that you can tell how well you are performing your job?

<u>Negative</u> Change Very Unlikely	<u>Negative</u> Change Unlikely	<u>Negative Change</u> Neither Likely nor Unlikely	<u>Negative</u> Change Likely	<u>Negative</u> Change Very Likely
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PART 2

OPINIONS ABOUT YOUR PRESENT JOB AND ORGANIZATION

Now please indicate how your personally feel about your job or your organization.

Below there are a a number of statements that a person might say about his or her job or organization.at the present time. Please indicate the extent to which you agree or disagree with each of the following statements by placing a check (✓) in the space over the answer that best describes your own, personal feelings about your present job and the organization that you work for.

18. I have enough power in this organization to control events that might affect my job.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Generally

Agree
Strongly

19. In this organization, I can prevent negative things from affecting my work situation.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

20. I understand this organization well enough to be able to control things that affect me.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

21. I have enough time to complete my work.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

22. I perform tasks that are too easy or too boring.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

23. I often am required to do things that should be done differently.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

24. I often do not have the necessary resources (i.e., people or equipment) to properly complete my tasks.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

25. I often have to break a rule to perform my work.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

26. I have the training and experience to properly complete my tasks.

Disagree
Strongly

Disagree
Slightly

Neither Agree
or Disagree

Agree
Slightly

Agree
Strongly

27. I have just the right amount of work to do.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

28. I often receive different orders from two or more people.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

29 My work is acceptable to one person but not acceptable to others.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

30. I often do not get enough help to complete my tasks.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

31. I often work on unnecessary things.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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33. There are a lack of policies and guidelines to help me in my job.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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34. I often am corrected or rewarded when I really don't expect it.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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35. My job responsibilities are very clear to me.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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36. I have to "feel my way" around in doing my job.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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37. I feel certain how I will be evaluated for a raise or promotion.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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38. I know exactly what is expected of me.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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39. I often am told how well I am performing my job.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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40 My job responsibilities have been clearly explained to me.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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41. I have to work under unclear policies and procedures.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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42. I do not know if my work will be acceptable to my supervisor.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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43. I am willing to work harder than is normally expected in order to help this organization be successful.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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44. I talk up this organization to my friends as a great organization to work for.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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45. I feel very loyal to this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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46. I would accept almost any job assignment in order to keep working for this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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47. My values are very similar to the organization's values.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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48. I am proud to tell others that I am part of this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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49. I could just as well be working for a different organization if I was doing the same type of work.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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50. This organization inspires me to perform at my very best.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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51. It would take very few changes to cause me to leave this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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52. I am extremely glad that I chose this organization to work for.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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53. There's not much for me to gain by staying with this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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54. I often find it hard to agree with this organization's policies.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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55. I really care about the future of this organization.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

56. For me, this is the best of all possible organizations to work for.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

57. Deciding to work for this organization was a definite mistake on my part.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

58. Quite often, I feel like staying home from work instead of coming in.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

59. I avoid taking on extra duties and responsibilities in my work.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

60. I used to be more ambitious about my work than I am now.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

61. I used to care more about my work, but now other things are more important to me.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

62. I try to work as hard as possible.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

63. I give a great deal of effort to completing my work.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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64. I work hard on this job.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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65. There is lots of resistance to change in this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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66. Employees in this organization are very open to change.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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67. Employees usually support management when management decides to make changes in this organization.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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68. Changes made in this organization usually work out well.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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69. Changes in this organization always seem to create more problems than they solve.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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70. When changes are made in this organization, the employees usually lose out in the end.

<u>Disagree</u> Strongly	<u>Disagree</u> Slightly	<u>Neither Agree</u> Nor Disagree	<u>Agree</u> Slightly	<u>Agree</u> Strongly
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71. I intend to leave this organization within the next year.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

72. I have started talking to friends and contacts about other job possibilities.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

73. I have every intention of continuing to work in this organization, for the foreseeable future.

Disagree
Strongly

Disagree
Slightly

Neither Agree
Nor Disagree

Agree
Slightly

Agree
Strongly

Now please indicate how satisfied you are with each aspects of your present job and listed below.

Please indicate the extent to which you are satisfied or dissatisfied about different aspects of your present job by placing a check (✓) in the space over the answer you choose.

74. My chance to tell others how to do things.

Very
Dissatisfied

Fairly
Dissatisfied

Neutral

Fairly
Satisfied

Very
Satisfied

75. My chance to make as much money as my friends.

Very
Dissatisfied

Dissatisfied

Neither Satisfied
Nor Dissatisfied

Satisfied

Very
Satisfied

76. My chance to make decisions on my own.

Very
Dissatisfied

Dissatisfied

Neither Satisfied
Nor Dissatisfied

Satisfied

Very
Satisfied

77. Being able to stay busy.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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78. My chance to be important in the eyes of others.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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79. My chance to try my own ways of doing the job.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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80. My chance to do many different things on the job.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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81. My chance to use my abilities and skills.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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82. The way this organization treats its employees.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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83. The personal relationship between my supervisor and her employees.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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84. My chances for future promotions in this organization.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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85. The way my supervisor trains her employees.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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86. The way my co-workers get along with each other.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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87. The praise that I get for doing a good job.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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88. The feeling of accomplishment the I get from my job.

<u>Very</u> Dissatisfied	<u>Dissatisfied</u>	<u>Neither Satisfied</u> <u>Nor Dissatisfied</u>	<u>Satisfied</u>	<u>Very</u> Satisfied
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PART 3

PERSONAL INFORMATION

Please answer the following questions about your personal background and work history by placing a check (✓) in the space by the answer you choose.

89. Sex: Male _____ Female _____

90. Year of birth? 19 _____

91. Education: Please check the highest level of education you have attained.

Grade School

_____ 1 year
_____ 2 years
_____ 3 years
_____ 4 years
_____ 5 years
_____ 6 years
_____ 7 years
_____ 8 years

High School

_____ 1 year
_____ 2 years
_____ 3 years
_____ 4 years

College

_____ 1 year
_____ 2 years
_____ 3 years
_____ 4 years
_____ 5 years
_____ 6 years
_____ 7 years
_____ 8 years

92. Which of the following choices best describes your position?

☐ manager
☐ assistant manager
☐ supervisor
☐ Technician I
☐ Technician II
☐ Technician III

Other: _____

93. What is your hourly wage?

<input type="checkbox"/> Under \$5	<input type="checkbox"/> \$7.00-\$7.49
<input type="checkbox"/> \$5.00-\$5.49	<input type="checkbox"/> \$7.50-\$7.99
<input type="checkbox"/> \$5.50-\$5.99	<input type="checkbox"/> \$8.00-\$8.49
<input type="checkbox"/> \$6.00-\$6.49	<input type="checkbox"/> \$8.50-\$8.99
<input type="checkbox"/> \$6.50-\$6.99	<input type="checkbox"/> \$9.00 and over

94. How long have you worked for this organization?

_____ years _____ months

95. How long have you worked in your present position?

_____ years _____ months

96. How many hours do you work in a typical week?

<input type="checkbox"/> 5-9	<input type="checkbox"/> 25-29
<input type="checkbox"/> 10-14	<input type="checkbox"/> 30-34
<input type="checkbox"/> 15-19	<input type="checkbox"/> 35-39
<input type="checkbox"/> 20-24	<input type="checkbox"/> 40 and over

97. What is your current job status?

Permanent _____ Temporary _____

98. Family status: Please check whether you are:

☐ Married
☐ Single
☐ Widowed
☐ Divorced or separated

99. If you have a family, how many children are living with you?

100. If you have a family, how many individuals (not including yourself) depend on you as their only source of financial support?

Please go back and make sure that you have answered each question.

Each of your responses is very important.

After you have checked to make sure you have answered each item, please give your completed questionnaire to the individual who at your school who has been assigned the responsibility of returning the large sealed envelope with all of the completed questionnaires.

Thank you for your cooperation in this important study.

VITA

JOE C. HUTCHINSON

Joe C. Hutchinson is President and founder of FoodService Management Solutions, an Austin, Texas-based professional service firm providing research, education, and consulting assistance in the area of restaurant and food service business management. He formerly served as a manager of KPMG Peat Marwick, a Big Six accounting/consulting firm, and has provided management consulting assistance to executives and administrators of public and private sector organizations for the past 10 years.

Prior to joining KPMG Peat Marwick, Mr. Hutchinson served as a hospitality industry consultant with the national accounting/consulting firms of Pannell Kerr Forster and Laventhol and Horwath. During the past 10 years, he has provided foodservice management consulting assistance to executives and administrators of restaurants, hotels, clubs, recreational facilities, schools, correctional institutions, corporate dining programs, university dining services, and convention centers. Prior to his consulting career, Mr. Hutchinson served for seven years as a general manager of independent and chain-operated full-service restaurants.

Mr. Hutchinson received a Bachelor of Science degree in Hotel and Restaurant Management from the University of Houston and a Master of Business Administration degree from Southwest Texas State University. His research focus has been in the areas of downsizing, business turnarounds, management training and development, and employee turnover.