

**Beyond the Psychological Contract:
Ideology and the Economic Social Contract
in a Restructuring Environment**

by

George W. Watson

**Dissertation submitted to the faculty of the
Virginia Polytechnical Institute and State University
in partial fulfillment of the requirements for the degree of**

**Doctor of Philosophy
in**

Management

APPROVED:

**Jon M. Shepard, Chairman
Department of Management**

**Anthony T. Cobb
Department of Management**

**John P. Christman
Department of
Philosophy**

**Carroll U. Stephens
Department of Management**

**Richard E. Wokutch
Department of Management**

**R. J. Harvey
Department of Psychology**

March 25, 1997
Blacksburg, Virginia

**Beyond the Psychological Contract:
Ideology and the Economic Social Contract
in a Restructuring Environment**

by

George W. Watson

Jon M. Shepard, Chairman

Management

ABSTRACT

A complex issue in business ethics involves the joining of empirical social science and normative philosophy. The former is descriptive in nature and attempts to discover the way things are. The latter is prescriptive, and aims to prescribe how things ought to be. Although some scholars argue the normative and descriptive realms should not be joined, this research assumes there exists a nexus -- a point at which people evaluate how things are by appealing to how things ought to be.

One formulation of how things ought to be is derived from the

tradition of social contract theory. Under this approach, individuals come together to form a collective. Each individual agrees to sacrifice certain liberties when living among the collective because of the benefits of being a part of the community. Grossly stated, political, social and economic institutions are expected to honor these reciprocal agreements by not impinging too severely on the rights of the person, and citizens are expected to conduct themselves in ways that support the collective.

Of course, the precise content of social contract has always be a matter of contention. One scholar will claim that there is no role for government in distributive justice, and another will claim that it is up to government to ensure that each person gets what he or she needs to live a dignified life. The content of the contract, therefore, is determined by one's ideas, values and beliefs that serve to justify the nature of extant social relationships -- in short, one's ideological orientation. Here I argue that two orientations, liberal and communitarian, produce two differing conceptions of such a contract. And in the first few chapters I derive what that contract should look like. Moreover, under the assumption that a society's institutions support its overall political social contract, I derive an economic social contract in both a liberal and communitarian conception expected to be present in economic institutions.

For an empricial context I have turned to organizational restructuring. For over a decade, concern has been raised regarding the changing nature of the employer-employee relationship. These events have prompted Lancaster (1994) to write:

The contract is dead...If one concept has been drummed into the noggins of Americans more than any other in recent years, it is this : The social contract between

employers and employees in which companies promise to ensure employment and guide careers of loyal troops, is dead, dead, dead. (Lancaster, 1994: B1)

The focus of the present study is to assess the effects of these trends on a employee judgments of organizational fairness and social responsibility as well as implications for alienation and trust. These are the central research questions: *1) Are restructuring policies predictive of employee perceptions of organizational fairness , trust in management, organizational commitment and organizational citizenship behavior?; (2) Are employee perceptions of organizational fairness , trust in management, organizational commitment and organizational citizenship behavior influenced by ideological orientation?*

To answer these questions I develop a theoretical framework that combines the ideologies of liberalism and communitarianism with social contract theory. The basic argument is that one's ideological position -- liberal or communitarian -- influences perceptions of the terms in the economic social contract and hence the judgments concerning organizational fairness, trust, commitment and citizenship.

We were faced with two empirical challenges. The first was to locate a reasonable measure of one's liberal-communitarian ideological orientation. After investigating available measures I determined that none cleanly tapped into the constructs of interest. Consequently, I developed a scale to measure liberal-communitarian ideological orientation. The results reported herein indicate that the scale indeed constitutes a measure of ideological orientation that does play a role in a person's judgments.

The second empirical objective was to assess the effects of ideological orientation on various judgments of a corporate restructuring scenario. One's ideological orientation may be applied in many situations that require ethical positions including the environment, consumer protection or health and safety. However, we selected labor in a restructuring environment because it is both timely and popularly described as an issue encompassing the reciprocal obligations of social contracts.

I found substantial support for our hypotheses that various policies do make a difference in judgments of fairness, trust, commitment and citizenship. I also found that one's ideological orientation directly influences these judgments. Moreover, in some cases I found systematic evidence that ideological orientation serves to moderate judgments of fairness, trust and citizenship when employee voice and coordination with the community is a focal policy.

I draw several conclusions from the findings. First, normative frameworks such as political ideologies do serve as a vehicle for bridging the normative and descriptive realms of business ethics. Second, ideological orientations are quantifiable, and they do matter in one's judgments of what constitutes economic justice. Moreover, ideological orientations were found to moderate certain judgments, especially those involving employee voice.

ACKNOWLEDGEMENTS

Some people are gifted with personal insight --seemingly knowing how to spend their time on earth -- always knowing how to make their lives whole and fulfilled. I call these people 'directed.' Others are endowed with the same drive to achieve something, the desire to experience fulfillment, but they are cruelly cursed by perverse gods -- they are given the drive, but not an inkling of knowledge about how to satisfy that drive. These people are seekers. They are condemned to wander aimlessly from place to place -- staring into storefront windows -- forsaking professions, families and relationships for as long as the gods are amused or until they end their search by extinguishing their own lantern.

I did not decide to study for the doctorate degree -- I had no choice -- I am a seeker, or rather I am glad to say, I was a seeker. Either through the rare mercy of the gods, or through my own persistence, I was shown a fulfilling direction. As one might imagine, those precious people who gently directed me hold a very special place in my heart. They earned a gratitude that these words can only acknowledge -- not express.

Jon Shepard and Carroll Stephens are foremost among these good souls. I had always envied the relationships that former doctoral students

described between themselves and their dissertation chairs. I never thought I would enjoy such a relationship. Yet, Jon's patience, good reason, wit and humility created a perfect climate for learning, trust and care. Carroll's generosity, brilliance, integrity and concern are unparalleled. In addition, her sensitivity and compassion toward the underdog are greatly appreciated -- mostly because doctoral students are familiar with the role of underdog. Heartfelt thanks must also go to their spouses: Kay Shepard and John Havron. They extended warm hospitality to me many times and, were always generous with the time their spouse devoted to my well-being and development.

Terry Cobb performed the role of friend, confidant and sixties soul-brother. I owe two debts to him. The first for his excellent support as the chair of my comprehensive exam committee. It's not easy teaching old dogs new tricks, and he was always there to lend affirmation, wisdom and even money! I also owe him gratitude for his part in protesting the war in Southeast Asia -- thanks for giving them hell Terry; they deserved it. Terry's wife, Julie Ozanne, not only fed me on many occasions, but provided me with one of the best doctoral seminars in my program.

Richard Wokutch, John Christman and R.J. Harvey have been very generous with their time and always willing to assist. These are all outstanding scholars, and even more, outstanding human beings.

All of my fellow doctoral students have also been supportive, especially Maureen Bezold and Bob D'Intino. Bob, in particular, withstood my midnight pleas for literature, my complaining about former wives, and

my harassment about his vacations -- all in good humor and patience.

Thanks Bob; I am fortunate to have you as a friend.

The administrative staff at the Management Department was always wonderful. Sandy, Missy and Alice -- you are the greatest, and it was fun comparing our tattoos!

Thank you all, for your warmth, sensitivity, intellectual guidance and friendship.

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION	1
PROBLEM STATEMENT	2
Problem Context	2
Nature of the Problem	4
Research Question	5
Previous Literature	6
SOCIAL CONTRACT THEORY AND IDEOLOGY	7
The Political Social Contract	7
The Economic Social Contract	8
Ideology	12
SIGNIFICANCE OF THE STUDY	15
PLAN OF THE STUDY	15
CHAPTER 2: LITERATURE REVIEW AND THEORETICAL UNDERPINNINGS	17
PREVIOUS RESEARCH LITERATURE	17
Justice in Restructuring	18
Tacit Contractual Perspectives on Restructuring	21
Psychological Contracts	21
Implied Contracts	24
THE NEED FOR A SOCIAL APPROACH	27
IDEOLOGY	29

Definition of Ideology	30
Ideology and the Social Contract	31
LIBERALISM AND COMMUNITARIANISM	34
Liberalism	35
Communitarianism	36
LIBERALISM, COMMUNITARIANISM AND THE POLITICAL SOCIAL CONTRACT	37
Liberalism and the Political Social Contract	37
Communitarianism and the Political Social Contract	39
TRUST, COMMITMENT, CITIZENSHIP & ALIENATION	42
SUMMARY	43
CHAPTER 3: THEORETICAL AND EMPIRICAL MODELS	45
THE THEORETICAL MODEL: IDEOLOGY AND SOCIAL CONTRACTS	45
Life Choices	48
Life choices and liberal political and economic social contracts.	50
Life choices and communitarian political and economic social contracts.	53
Life choices and job security.	55
Personal Identity	57
Personal Identity and the liberal political and economic social contract.	58
Identity and the communitarian political and economic social contract.	60

Personal identity and commitment.	62
Self-Respect	63
Self-respect and the liberal political and economic social contract.	64
Self-respect and the communitarian political and economic social contract.	66
Self-respect and employability	69
Duties To Others	71
Duty to others and the liberal political and economic social contract	73
Duty to others and the communitarian political social contract	76
Duty to others and voice	78
Citizenship	79
Citizenship and the liberal political and economic social contract	81
Citizenship and the communitarian political and economic social contract	83
Citizenship and organizational citizenship	85
Alienation: Trust, Commitment & Citizenship	87
THE EMPIRICAL MODEL	89
Dependent Variables	93
Fairness	93
Trust, Commitment and Citizenship	93
Independent Variables	94
Temporary employment	94
Seniority	94
Retraining	95
Participation	95
Community involvement	96

HYPOTHESES	96
Liberal-Communitarian Ideological Orientation and Judgments of Fairness, Trust, Commitment and Citizenship	96
Temporary Employment, Fairness, Trust, Commitment and Citizenship	98
Seniority, Fairness, Trust, Commitment and Citizenship	100
Retraining, Fairness, Trust, Commitment and Citizenship	101
Participation, Fairness, Trust, Commitment and Citizenship	102
Community Involvement, Fairness, Trust, Commitment and Citizenship	103
Additional Moderating Variables	104
SUMMARY	105
CHAPTER 4: RESEARCH DESIGN AND METHODS	106
DESIGN	106
PROCEDURES AND METHODS	109
Procedures	110
Site	111
Sample	112
Judgment of Interest	113
Cues	115
Context	116
Cue intercorrelations	118
Cue sequence	119
Order of Vignettes	119

MEASURES	121
Moderating Variables	121
Ideological Orientation	121
Dependent Variables	121
Commitment	121
Citizenship	122
Trust	123
Fairness	123
Control Variables	124
HYPOTHESIS TESTING	125
CLUSTER ANALYSIS	127
SUMMARY	128
CHAPTER 5: MEASURING IDEOLOGICAL ORIENTATION	129
RELATED SCALES	130
Individualism - Collectivism	130
Gemeinschaft - Gesellschaft	133
Conservatism - Liberalism	134
METHOD	135
RESULTS	137
Validity	137
Content validity	137
Construct validity	137
Cross-structure analysis	141
Criterion validity	143

Reliability	144
Coefficient alpha	145
Test-retest reliability	145
 SUMMARY	 145
 Chapter 6: RESULTS	 147
 HYPOTHESIS TESTING	 147
Judgments of Fairness	149
Direct and indirect effects of ideology and judgments of fairness	149
Direct effects of various practices on judgments of fairness	154
Demographic variables in judgments of fairness	158
Judgments of Trust	158
Direct and indirect effects of ideological orientation on trust	158
Direct effects of various policies on judgments of trust	162
Demographic variables influencing trust	165
Judgments of Commitment	166
Direct and indirect effects of ideology and commitment	167
Direct effects of various practices on judgments of commitment	170
Demographic variables and judgments of commitment	173
Judgments of Organizational Citizenship Behavior	174
Direct and indirect effect of ideological orientation on judgments of citizenship	174

Direct effects of various policies on judgments of citizenship	178
Demographic variable in judgments of citizenship	180
CLUSTER ANALYSIS	180
Procedure	181
Clusters in the Fairness Judgment	182
Clusters in the Trust Judgment	186
Clusters in the Commitment Judgment	188
Clusters in the Citizenship Judgment	188
Summary of Primary Findings	190
SUB-SAMPLE ANALYSIS	191
SUMMARY	193
CHAPTER 7: DISCUSSION AND IMPLICATIONS	195
OVERVIEW OF FINDINGS	196
Ideological Orientation	196
Use of Temporary Labor	197
Seniority	197
Retraining	198
Employee Voice	199
Coordination with the Community	199
Cluster Analysis	200
POST HOC OBSERVATIONS	201
Situational Saliency	202
Judgments of Commitment	203
Ideological Principles and Response Overlap	204
Ideology as contested ground	205

Ideologically moderate respondents	205
Doctrinaire respondents	206
Caveats and Limitations	206
CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH	207
The Research Environment	207
Further Research	208
Importance of the Research	209
Practical Implications	210
BIBLIOGRAPHY	212
APPENDIX A: Fractional Factorial Design	224
APPENDIX B: Instrument	226
APPENDIX C: Correspondence	247
APPENDIX D: Tables and Figures	249
VITAE	258

LIST OF ILLUSTRATIONS

Figure 1.1	Overview of the Research Model	10
Figure 2.1	Creating The Psychological Contract	23
Figure 2.2	Formation of The Implied Contract	25
Figure 3.1	Job Security and Economic Justice	56
Figure 3.2	Commitment and Economic Justice	63
Figure 3.3	Self-Respect and Economic Justice	70
Figure 3.4	Voice and Economic Justice	79
Figure 3.5	Community and Economic Justice	87
Figure 3.6	Organizational Policy and Alienation	89
Figure 3.7	Theoretical and Empirical Models	92
Figure 5.1	Scree Plot of Eigenvalues	138
Figure 6.1	Cluster Charts (Appendix D)	256

LIST OF TABLES

Table 3.1:	Ideology, Social Contracts and Constructs (Appendix D)	257
Table 4.1:	Demographic Variables	111
Table 4.2:	Correlations of Key Variables (Appendix D)	255
Table 4.3:	Descriptive Statistics	114
Table 5.1	Rotated Factor Loadings	140
Table 5.2	Correlations with Similar Constructs	141
Table 5.3	Correlations with Wagner	142
Table 6.1	Judgments of Fairness (Appendix D)	250
Table 6.2	Judgments of Trust (Appendix D)	250
Table 6.3:	Judgments of Commitment (Appendix D)	252
Table 6.4:	Judgments of Citizenship (Appendix D)	253
Table 6.5:	Analysis of Cluster Differences (Appendix D)	254
Table 6.6:	Sub-sample Analysis	192

CHAPTER 1

INTRODUCTION

The labor market in the United States has changed dramatically since the early 1980s as companies have looked for ways to cut costs, increase profits, and enhance stock values. For justification of restructuring, business leaders point to rising health care costs (Fierman, 1993), to the need to become leaner and less hierarchically structured in an increasingly competitive environment, and to the ability to eliminate of middle management because of computers and information technology (Gleckman, Carey, Rousch; 1993). Top management has taken dramatic steps to meet the challenges they see and to use technological capabilities now available. Steps taken in the process of restructuring constitute the contextual focus of this research.

There is a debate in both the business world and academia regarding the possible effects of this change in economic relations. For some, there is no downside to corporate restructuring. Others dissent, predicting negative effects for the relationships between employees and their employers. The

present study explores this debate via the concept of the social contract. I predict differential effects in employee perceptions of organizational fairness and alienation depending on employee's ideological conception of the economic micro social contract they have with their employers. This conception of the economic micro social contract is informed by two very distinct ideologies -- liberalism and communitarianism.

Knowledge of the nature and strength of employee attitudes regarding changes they, and others, are experiencing, including their perception of how well employers are meeting traditionally honored obligations to its employees, provides insight into the future of employer-employee relationships. From a social perspective, corporate restructuring raises the specter of increasing economic instability in the working and middle classes. At the corporate level, restructuring decisions invoke questions of legitimacy, fairness and responsibility toward various corporate stakeholders, particularly employees and surrounding communities. Moreover, some observers argue that corporations are falling prey to a "corporate anorexia" -- a cycle of downsizing that causes lowered performance which in turn results in greater downsizing (Downs, 1995).

PROBLEM STATEMENT

Problem Context

A recent headline in the New York Times reported that the Xerox Corporation plans to cut its staff by 10,000 people. In response to this news, investors bid the price of its stock up by 7 percent (Holusha, 1993). In similar

efforts to enhance profitability and increase corporate ability to attract investors, this downsizing scenario has been played out many times over the past few years: Digital Equipment by 20,000, Eastman Kodak by 2,000, Siemens by 13,000, Dalmer-Benz by 27,000, Philips by 40,000, and IBM by 130,000 (The Economist, 1993). Since 1985, at least 9.2 million people have been trimmed; many of these held white-collar jobs (Coates and Jarratt, 1993). In the first nine months of 1993 alone, over 600,000 people lost their jobs, another 500,000 were laid off in 1994 and another 400,000 in 1995. In addition, national leaders proclaim that this phenomenon will continue (Pearlstein, 1993).

Part of the motivation for downsizing is based on top management's belief that they employ a surplus of people, that work can be done by fewer employees without reductions in efficiency and effectiveness. There is, however, more than the desire for an absolute reduction in the work force involved. The impetus for downsizing rests on the beliefs that: (1) work now in the hands and minds of permanent, full-time employees, can be done in other, less expensive ways; and (2) labor is a readily available, variable cost resource in the production process.

Consequently, companies are increasingly using the services of contingent employees, such as part-time workers, contract workers, temporary workers, and self-employed individuals (Nardone, 1992; New Ways to Work, 1992; Wiesenfeld, Brocker and Martin, 1993). In fact, it is estimated that over one-third of the U.S. labor force (about 45 million people) is contingently employed. This category of worker has grown at a rate three times that of the total labor force, up almost 60 percent since 1980 (Henkoff,

1993). Moreover, the contingent part of the labor force, which has traditionally included relatively unskilled workers, is increasingly encompassing white-collar employees (Castro, 1993; Diefenhouse, 1993; Richman, 1993). Over the past ten years approximately two million management positions have disappeared.

Nature of the Problem

These trends portend a fundamental change in the U.S. labor market (Church, 1993; Castro, 1993). While some maintain that it marks the dawn of a brave new workplace of individual entrepreneurialism (Kiechel, 1993; Sherman, 1993), others insist that it signals a fundamental change in the social contract between businesses and employees. Daniel Bell (1993), representative of the more positive entrepreneurial view, cites the downfall of the IBM, General Motors, and the American steel industry as a evidence of a need for firms to become lean, adaptable, and flexible. Robert Kuttner (1993a,1993b), on the other hand, points out that the age of job security and its underlying social contract is being fractured by the actions of these corporations. Similarly, Robert Reich (1991, 1994) asserts that these actions will create greater polarization between those who control the mode of production and those who do not.

According to a recent Time magazine report, the “disposable’ work force is the most important trend in business today, and is fundamentally changing the relationship between Americans and their jobs” (Castro, 1993: 43). Downsizing and the increased use of contingent workers may foster “the belief that a valued future relationship with the firm is either threatened or

non-existent” (Wiesenfeld, et. al., 1993: 1). Moreover, according to a recent Fortune article, less than one-half of the surveyed employees in a human resource consulting organization saw a connection between job security and job performance (Henkoff, 1993). These events have prompted Lancaster (1994) to write:

The contract is dead...If one concept has been drummed into the noggins of Americans more than any other in recent years, it is this: The social contract between employers and employees in which companies promise to ensure employment and guide careers of loyal troops, is dead, dead, dead. (Lancaster, 1994: B1)

Research Question

The focus of the present study is to assess the effects of these trends on a employee judgments of organizational fairness as well as implications of alienation. These are the central research questions: 1) *Are restructuring policies predictive of employee perceptions of organizational fairness , trust in management, organizational commitment and organizational citizenship behavior?;* (2) *Are employee perceptions of organizational fairness , trust in management, organizational commitment and organizational citizenship behavior influenced by ideological orientation?*

To answer these questions I develop a theoretical framework that combines the ideologies of liberalism and communitarianism with social contract theory. Our basic argument is that one’s ideological position -- liberal or communitarian -- influences the perceptions of the terms in economic micro social contract and hence the judgments concerning

organizational fairness and alienation within the context of restructuring.

Previous Literature

Unfortunately, empirical work on the effects of the breaching of the economic social contract is sparse. In fact, the first and only such attempt is presented by Robertson and Ross (1995). Some organizational justice literature, however, has dealt with attitudinal responses to layoffs (Greenberg, Brockner, Bortz, Davy, & Carter, 1986; Brockner, Grover, Reed, & DeWitt, 1987).

Most of the research on contractual relationships between employees and employers involves either psychological contracts or implied contracts. Rousseau and Parks (1992) and Rousseau (1989) define the psychological contract as an individual's belief regarding terms and conditions of a reciprocal exchange agreement between that person and another party. Implied contracts are broader in scope than psychological contracts and are characterized by a higher degree of tacit or implied understanding, and a greater emphasis on the socio-emotional consequences (Rousseau and Parks, 1992).

Missing from the above approaches are the effects of broader social influences. For example, performance on the job has been found to be a significant factor in judgments of the fairness of layoffs (Rousseau, 1991). However, no theoretical justifications for this conclusion are given. In other words, we still need to understand why variables such as performance, time on the job, and formal promises significantly affect people's judgments of the

fairness of termination. In fact, Rousseau concludes that: “Research is needed to investigate further the *processes* (emphasis added) under which beliefs regarding obligation are formed” (Rousseau, 1991: p 297). Some of these processes are social rather than psychological in nature. Consequently, there is a need to move beyond psychological and implied contracts. I propose to make this move through wedding normative political philosophy and empirical social science (Trevino and Weaver, 1994; Victor and Stephens, 1994). The philosophical and social vehicle is ideologically infused political and economic micro social contract. This framework has the advantage of moving from the psychological to the social level (Nord, 1974, Rousseau, 1989) and introduces an ethical dimension to the study of restructuring. Figure 1.1 illustrates our overall approach to the answering the research questions.

SOCIAL CONTRACT THEORY AND IDEOLOGY

The extent to which institutions have broad social responsibilities to the society of which they are a part has been debated in political philosophy for centuries. A review of that debate follows in the next chapter. Several introductory comments are offered here to explain generally what the social contract for business -- the economic micro social contract -- is and why it is useful in the context of restructuring. This can only be accomplished through an understanding of the political social contract.

The Political Social Contract

While its historical roots are ancient (Plato, 4th Century B.C./1974), political social contract theory emerged as a powerful idea in Western society

in the seventeenth and eighteenth centuries through the writings of Thomas Hobbes (1651/1962), John Locke (1690/1961), and Jean Jacques Rousseau (1762/1960). A political social contract has been considered normative because it establishes the accepted beliefs regarding appropriate behavior in a society (Gough, 1963; Rousseau, 1992). In recent decades, political social contract theory has resurfaced in the context of a concern for social justice.

Philosophers and social scientists such as Rawls (1971, 1993), Gauthier (1986), Walzer (1983), McIntyre(1981), Wilson (1993), Etzioni (1988), and Selznick (1992) have been debating the meanings and merits of such ideologically diverse and divisive concepts as freedom, equality, justice, and fairness in light of the social order.

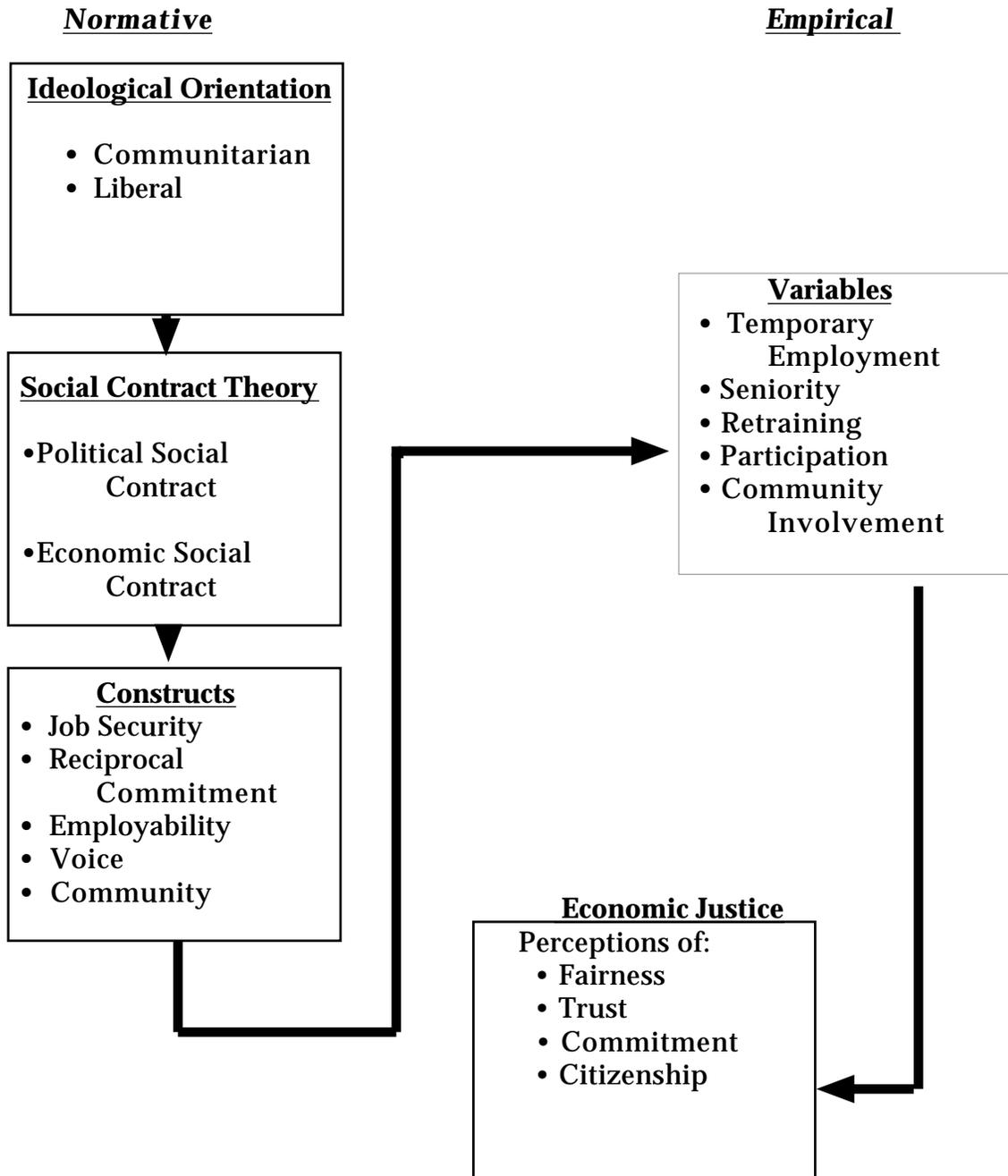
The Economic Social Contract

One fundamental assumption I make is that major social institutions are constructed to support the basic tenets of the predominant political social contract. In the case of the economic institution, an economic social contract emerges that is compatible with the beliefs, values, and ideas of the political order.

The economic social contract for capitalist societies was first outlined by Adam Smith (Smith, 1776/1962; Collins, 1992). The objective of Smith's support of the division of labor was to increase national wealth through competition and other economic laws. The efficiencies derived from the division of labor, Smith wrote, "... will generate wealth; and this wealth will diffuse throughout society down to its lowliest members" (Smith, 1776/1962: 23-24). Contrary to popular opinion, Smith believed that organizations

operating within the capitalist economic order inherited certain social responsibilities (Shepard, et. al. 1991; Werhane, 1991; Solomon, 1993; Collins,

Figure 1. Overview of the research model



1992).

Contemporary management researchers (Keeley, 1968; Donaldson, 1982; Donaldson and Dunfee, 1994; Dunfee, 1991, 1995; Watson, Shepard and Stephens, 1995; Dunfee and Donaldson, 1995; Keeley, 1995; Robertson and Ross, 1995, Watson, Shepard, Stephens and Christman, 1996; Donaldson and Preston, 199) seek to apply the economic social contract to the evaluation and analysis of business decisions. Donaldson argues that persons have a right to pose the same sort of questions to business that have been asked of the political state: “Why should corporations exist at all? What is the fundamental justification for their activities? How can we measure their performance and say when they have achieved their fundamental purpose?” (Donaldson, 1982: 37).

Answering these questions leads to an outline of an economic micro social contract between business and the members of society. In fact, Donaldson makes one of the few serious attempts to explore and define the economic micro social contract for business. His argument proceeds as follows. Large corporations influence domestic and foreign policy, employ thousands of people, and control enormous financial wealth. In addition, businesses obtain their material resources from the common environment, draw their labor from society, and derive their profits from revenues provided by consumers. Consequently, businesses have responsibilities to both individuals and society; they are enmeshed in an economic social contract.

According to Donaldson (1982) and Watson and Shepard (1995),

productive organizations have the obligation to go beyond the prima facie benefits they provide (for example, increased efficiency in the production of goods and increased income to employees). Business organizations must also minimize the major drawbacks of their existence. For example, the economic social contract obligates productive organizations to control pollution, avoid depletion of natural resources, and take care not to misuse political power. More controversially, productive organizations owe employees protection against alienating work, lack of control over work conditions, and work-related monotony and dehumanization. Preceding Marx by nearly seventy years, in the Wealth of Nations, Smith did speak to some of these latter obligations. Although to Smith the virtue of specialization was the key to increased productivity, he expressed concern for the negative repercussions for workers in minutely fragmented jobs:

[the laborer] ... generally becomes as stupid and ignorant as it is possible for a human creature to become. The torpor of his mind renders him, not only incapable of relishing or becoming part in any rational conversation, but of conceiving any generous, noble, or tender sentiment ... (Smith, 1776/1965: 734)

Ideology

Whether an organization is perceived to be acting fairly and living up to its social responsibilities is in large part dependent upon the nature of one's ideology, a concept for which a consensus definition has yet to be developed (Eagleton, 1991). To some, ideology is the prism through which we look to make evaluative assessments of our world (Habermas, 1987). According to others, it is the ideas which help to legitimate the dominant political power

(Althusser, 1976). Ideology has been most commonly defined as the study of the nature and origins of ideas as they pertain to social structure (Jary and Jary, 1991; Weiss and Miller, 1987). A synthesized definition of ideology useful for the present research states that it is composed of the shared ideas, meanings, values, and beliefs that define and defend the structure of social relationships. The advantages in the choice of this definition will become clearer in Chapter 2. For now, it is sufficient to say that this conception of ideology fits very well with our theoretical framework in which one's view of the economic social contract depends on one's view of the proper nature of social relationships in the economic arena.

A major ideological debate in political philosophy revolves around liberalism and communitarianism. Each of these ideologies envisions different roles for major institutions, particularly government (Lodge, 1975, 1984, 1990; Lodge and Vogel, 1987). The liberal political social contract, inspired by Hobbes (1651/1962) and Locke (1690/1961), emphasizes the individual's role in the agreement, pointing out the need for liberty, individual autonomy, and a minimal role for the state.

Liberalism¹ has generally been conceived as freedom from the constraints imposed by the state. The liberal point of view is eloquently argued by Kymlicka (1988). People, he maintains, must lead their individual lives in accordance with their own values and beliefs. In addition, they must be at liberty to examine and change those beliefs. In these ways people are at liberty to live personally meaningful lives.

¹ In this study I refer to liberalism in the classical philosophical sense, not referring to contemporary political positions of the left.

A critique of this view, rooted in Rousseau (1762/1960), is advanced by communitarians. The communitarian criticisms are effectively summed up by Buchanan (1989). While liberalism undermines the importance of community in the lives of people, the communitarian sees his or her community as an essential element of a good life. In addition, communitarians claim that the liberal ideology undervalues the roles of the political order. The state, communitarians argue, provides vital functions in support of the peace and order of the community. The self, the argument continues, is an integral part of the whole community. In fact, self-identity does not exist outside the roles established by one's community. Furthermore, liberalism is said to be indifferent to important community responsibilities shared by all members of the community, including caring for the infirm and socially disadvantaged.

Both the political and economic social contracts will be placed within the context of these two ideological positions in Chapter 3. Several of the determining characteristics of each ideological position are used to describe the nature of the political and economic social contracts envisioned by liberals and communitarians. By differentiating liberal and communitarian views of the political and economic social contracts major constructs for use in the identification of research variables may be isolated. These variables are used to formulate hypotheses regarding employee judgments of organizational fairness and corporate responsibility in the current downsizing and restructuring environment. Models and constructs are constructed in Chapter 3.

SIGNIFICANCE OF THE STUDY

The theoretical contribution of this study is to develop for the first time an empirical examination of the economic micro social contract based on the ideologies of liberalism and communitarianism. Empirically, this study should contribute to our knowledge of: (1) the role ideological-based views of the economic social contract play in influencing employee inferences regarding the organizational fairness and duty within the context of restructuring; (2) the relationship between corporate restructuring policies and judgments of fairness and duty and (3) the relative prevalence of adherents to the liberal and communitarian conceptions of the economic social contract.

PLAN OF THE STUDY

This dissertation is divided into seven chapters. This first chapter has introduced the general problem and issues under investigation, the approaches previously applied to these issues, and the unique approach proposed for this study. Chapter two reviews the literature that lays the important empirical and theoretical foundation for this dissertation. Chapter 3 develops the theoretical foundations for an ideologically-informed economic social contract approach to judgments of organizational fairness and alienation in the context of corporate downsizing and restructuring. A comprehensive theoretical model is proposed based upon interpretations of both philosophical and empirical literature, and an empirical model is introduced. Research hypotheses are developed that parallel this empirical model. Chapter 4 details a methodological approach to hypothesis testing.

Samples, instruments, research sites, and analytical techniques are discussed. Chapter 5 presents the results of the efforts aimed at developing a scale designed to measure one's liberal or communitarian ideological orientation. Chapter 6 presents the results of the analysis proposed in Chapter 4. Post-hoc analysis is presented in this chapter. Chapter 7, the last chapter, discusses implications of this research and suggests further research possibilities.

CHAPTER 2

LITERATURE REVIEW AND THEORETICAL UNDERPINNINGS

Two research streams have explored issues of fairness in organizational restructuring. This literature, reviewed in this chapter, has almost exclusively examined the attitudinal and behavioral outcomes of layoffs. The first objective of this chapter is to describe the findings of these approaches. The second is to identify gaps where theoretical and empirical contributions can be made. Third, I want to demonstrate how the research in the present study can begin to address that research gap.

PREVIOUS RESEARCH LITERATURE

The problems associated with employees caught in corporate restructuring have been approached from two research perspectives. Although each applies a distinct theoretical framework to the contextual phenomenon, they share in common a notion that the nature of the relationship between the employee and employer matters. Both streams of research assert that if this relationship lacks certain characteristics or violates certain principles, problems with employees will become manifest in areas such as commitment, trust, and performance. The two frameworks are

organizational justice (fairness), and tacit contracts. A discussion of the recent literature within these frameworks follows.

Justice in Restructuring

The organizational justice research stream covers a myriad of situational venues including organizational restructuring. I have focused here on that literature representative of justice in layoffs because it most forcefully demonstrates the contributions and limitations of the approach in the specific context central to the present study. For a more comprehensive treatment of the justice literature as it pertains to organizational change in general see Cobb, Wooten & Folger, (1995).

For the most part, justice issues dealing with restructuring in the work place focus on whether layoff procedures, resource distributions to layoff victims, and personal interactions during these events are perceived fair to the employees involved, whether they be victims, survivors or lame ducks. The central independent variables are the nature of procedures, distributions, and interactions.

Brockner, Konovsky, Cooper-Schneider, and Folger (1994) explore the interactive effects of perceptions of procedural justice and perceptions of outcome negativity on layoff victims, survivors, and lame ducks (those employees who have been notified that they will be laid off, but have not been notified of when). Using samples of victims, lame ducks, and layoff survivors, Brockner and his colleagues found that outcomes were perceived as significantly more negative if subjects viewed layoff procedures negatively.

In one of the few studies that has focused on a sample of layoff victims, Konovsky and Folger (1991), ask layoff victims whether they would recruit for their former employers. Konovsky and Folger conclude that decision making procedures used to select layoff victims was predictive of whether victims would recruit for their former employers. The implication, they assert, is that procedural justice is important in perceptions of fairness among layoff victims.

Brockner, Tyler, and Cooper-Schneider (1992) also dealt with layoff victims. These authors assessed whether position in the organization influenced reactions to layoffs. They found that the higher the position and associated organizational commitment, the greater the negative reactions if the layoff procedures were perceived as unfair. Thus, if the organization's actions are perceived as unfair, then the individuals whose work attitudes are most likely to decline are those who were formerly the most highly committed to the organization.

Brockner (1990) predicted that layoff survivors who perceived layoff procedures as being unfair would become more withdrawn from their jobs. Field and laboratory studies were conducted which supported this hypothesis, further buttressing the notion that procedural justice influences employee's attitudes. Similarly, Brockner and his colleagues (1986) examined whether the performance of layoff survivors is significantly related to layoff procedures. The authors found that, consistent with equity theory, subjects worked harder when layoff decisions were based on performance rather than on arbitrary selection.

Brockner, Grover, Reed, and DeWitt (1987), in one of the few studies that specifically examines distributive justice issues in the layoff process, questioned whether compensation for layoff victims influenced survivors' commitment to the organization. The authors conclude that survivors reacted most negatively when they identified with the layoff victim and they perceived that victim as being inadequately compensated.

The justice in restructuring literature offers some important contributions. It is among the small body of literature that raises the issue of fairness in the context of layoffs. In general, this literature makes inroads into understanding the effects of procedural justice on the attitudinal and behavioral outcomes of layoff survivors and victims.

The justice literature, however, falls short in at least two areas where this dissertation aims to contribute. First, this literature examines only the phenomenon of layoff. Layoffs are frequently accompanied by hiring contingent employees, closing sites, or other concomitant managerial actions that may clarify the context of these actions and exacerbate or mitigate their outcomes.

Second, and probably most significantly, the theoretical foundation for judgments of fairness in the justice literature is unclear. Sheppard, Lewicki, and Minton (1992) maintain that judgments of fairness are highly subjective, pointing out the lack of an absolute standard for determining fairness in any particular situation. This is problematic because no single frame of reference is clearly agreed upon. It is ambiguous, therefore, which referents subjects use in this research. As a default, these authors suggest, consistent with

equity theory (Adams, 1965), that “... people can be expected logically to pursue those aims they believe to be in their own best interests” (Sheppard, Lewicki, and Minton , 1992: 24). This view reduces the concept of fairness to psychological perceptions and internal calculations of equity, or possibly equality, whichever may best serve self-interested individuals. Moreover, this position denies any overarching normative ethic that might place the welfare of the group ahead of one’s own self-interest. A more optimistic view of the judgments of individuals, bringing normative standards to bear in the individuals’ judgments of fairness and responsibility, will be reflected in the theoretical foundation of this dissertation.

Tacit Contractual Perspectives on Restructuring

Psychological contract. Argyris (1960) and Levinson (1962) were among the first scholars to conceptualize the notion of a psychological process whereby mutual expectations -- either explicit or implicit -- are developed. This they termed the psychological contract. Their work is advanced by Schein (1965) into the specific areas of motivation and authority. Other scholars have since investigated the role of the psychological contract in organizational restructuring Rousseau (1989). Rousseau and Parks (1992) define the psychological contract as an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between that person and another party. Figure 2.1 illustrates the formation of the psychological contract. Psychological contracts are subjective and exist in the eyes of the beholder. Individual perceptions, interpretations, and sense making form the

content of a psychological contract.

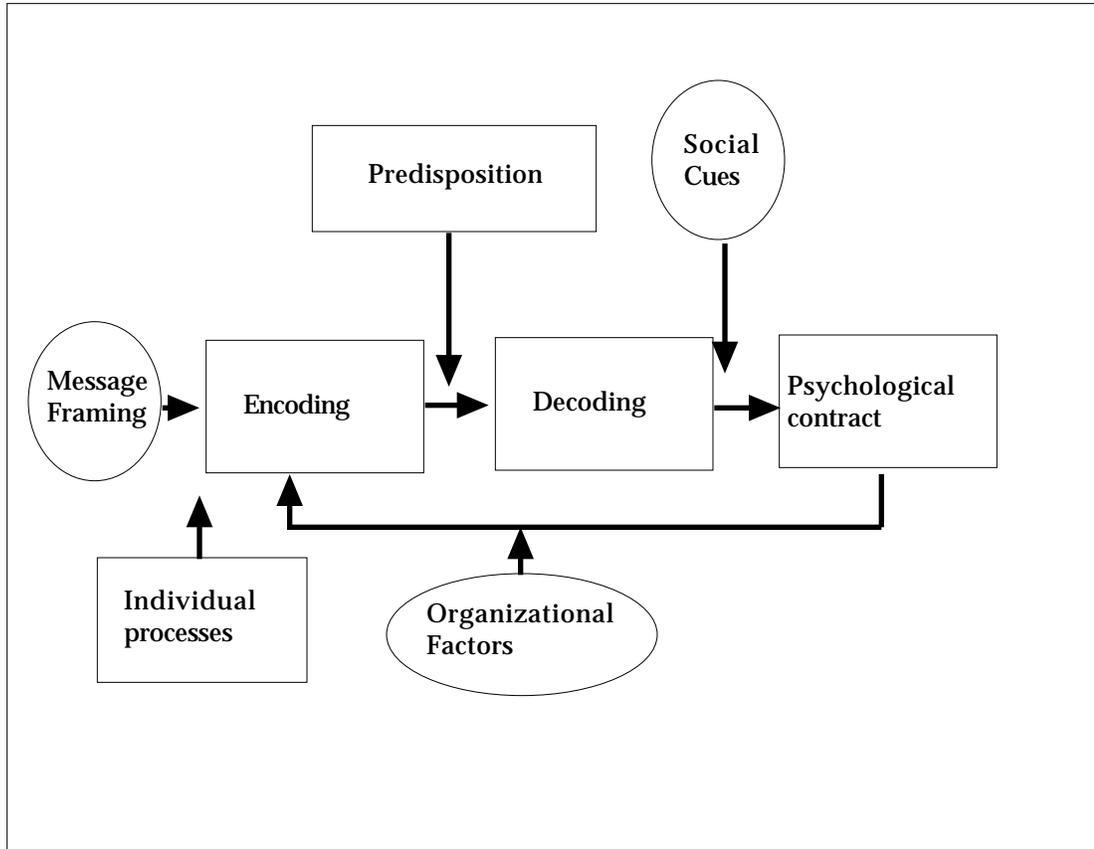
Tornow and DeMeuse (1994) argue that a “new” psychological contract is needed between employers and employees because the “current” one is becoming obsolete. Robinson and Rousseau (1994), investigating the frequency with which psychological contracts are violated, found that 54.8 percent of the study’s subjects reported a violation of their psychological contract. Moreover, they report significant correlations between reports of psychological contract violations and loss of trust, reduced satisfaction, observed turnover , and reports of intentions to turnover.

Robinson, Kraatz, and Rousseau (1994) conducted a longitudinal study showing that over the first two years of employment employees tend to exhibit increased obligation to the company and decreased obligation to themselves. In addition, these authors found that an employer’s breach of commitments reduced an employees feelings of obligation to that employer.

In support of the studies mentioned above, Nelson, Quick, and Joplin (1991) argue that the psychological contract is a dynamic set of expectations that is forged through several stages of employee socialization. Baker and Berry (1987) argue in support of the socialization concept as a mechanism for both career development and job-person fit which, in turn, creates greater commitment to the organization on behalf of the employee.

Rousseau (1990) identified several types of obligations that employees hold with respect to their employment relationship, obligations which

Figure 2.1. Creating the individuals psychological contract. Reprinted from Rousseau, 1995: 33



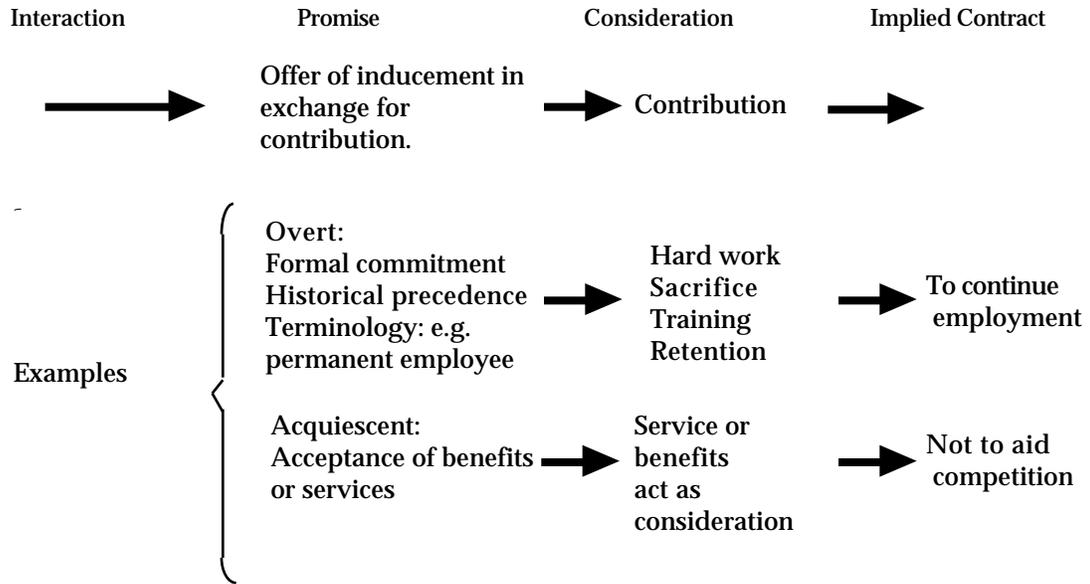
constitute the psychological contract. Among them she found the notion that employee loyalty to the company is balanced against job security.

Furthermore, she concluded that the career motives and life intentions of employees significantly influence perceived obligations.

The implied contract. Rousseau (1989, 1995) adds the notion of an implied contract to the contractual perspective. She defines the implied contract as a mutual obligation characterizing a relationship. Implied contracts differ from psychological contracts in two ways. First, Rousseau argues that implied contracts result from observable interactions with others and from the dynamics of those relationships over time. Whereas psychological contracts are formed within an individual, implied contracts are formed through interacting with others and observing events and behaviors in the workplace. Information and opinions of others play a role in the formation of our own contractual expectations. The second way that implied contracts differ from psychological contracts is level of analysis. Psychological contracts operate at the individual level of analysis. Implied contracts operate in a relationship, either dyadic or more complex. Figure 2.2 describes the dynamics in the formation of an implied contract.

One practical implication of implied contracts, according to Rousseau, is that they have undermined the employment at-will tradition in American industry. She supports this argument by presenting court decisions favorable to former employees. These employees argued that the company behaved in ways that implied a longer term, more stable relationship. These behaviors included, for example, training the employee or transferring the employee

Figure 2.2. Formation of the implied contract.
 Reprinted from Rousseau, 1989: 131.



within the organization.

Three studies by D. Rousseau comprise all the research on implied contracts in organizational restructuring. D. Rousseau and Anton (1988) examined the relationship between employee tenure, formal commitments of job security, reasons for termination, employability, severance, and historical precedence on judgments of fairness and obligations to retain employees. Time on the job, formal commitments, severance benefits, and reasons for terminations were all found to be significantly related to judgments of fairness and obligations to retain an employee. Neither historical precedence nor employability were found to be significant in these same judgments.

D. Rousseau and Anton (1991) continued this line of research by adding the independent variable of employee performance. Their study found that a person's present performance was a significant factor in that person's judgments about fairness and obligation in layoff decisions. The performance construct, however, also included past performance and expected future performance, neither of which was significantly related to fairness and obligation.

D. Rousseau and Aquino (1993) extended this line of research by adding yet more independent variables. In this case the authors looked at the influence of justice issues in assessments of fairness and obligation. Three justice variables were used: participation (whether or not employees had input to the layoff decision process); notice (whether or not notice was given to the laid-off employee); and explanations (a social account of the reasons

why the decision was made). Each of these variables emerged as significant in judgments of fairness and obligation.

The tacit contract literature contributes substantially to our understanding of the psychological aspects of affective and behavioral responses to management's restructuring actions. Like the justice literature, however, judgments of fairness in the contractual context may be made from many referents. These include personal observations, personal experiences, or the processing of socially derived information (Salancik and Pfeffer, 1977). In addition, these judgments consider persons rational calculators evaluating first, whether the processes used to carry out a decision are fair (procedural justice) and second, whether the allocation of outcomes is fair (distributive justice). There is, I will argue a third consideration: whether the decision or action *itself* fair. For example, we can imagine two concentration camp prisoners working 16 hours a day, seven days a week. Both receive the same bowl containing one cup of weak soup, and a stale piece of bread. From an equity and equality perspective their portions are fair. But does this mean they would characterize their plight as just? This argument supposes that managerial action or decisions can be carried out in a procedurally and distributively in a fair manner, and still be a fundamentally unfair decision or action. To answer this question raises the need to examine higher level, normative standards as they apply to restructuring decisions. This is the topic of the next section.

THE NEED FOR A SOCIAL APPROACH

We suggest the need for a social contract approach to the study of

organizational restructuring for several reasons. First, referent standards for assessments of fairness in the justice literature are inexplicit and the possibility of an overarching normative ethic should be evaluated. Second, Rousseau herself asserts that: "Research is needed to investigate further the processes under which beliefs regarding obligations are formed" (D.Rousseau, 1991: 297). Moreover, D. Rousseau and Aquino (1993) acknowledges that employee interpretations of organizational actions and management motives are missing from this line of research. They also contend that social construction may affect the meanings individuals attach to dimensions of procedural justice. The proposed research focuses on the influence of such social processes.

Third, one important assumption implied in both of the above contractual approaches is that the individual is a tabula rasa when entering the organizational socialization processes. That is, expectations are formed only after some interaction between the individual and the organization. This assumption is contrary to the opinions of some organizational analysts and opposes recent calls for consideration of social contextual factors. For example, Senn (1988) contends that in considering human action and thought, reliance on individual characteristics is insufficient:

There are very few instances in which people's thoughts, feelings and actions can be understood solely in individualistic terms without reference to sociocultural factors such as socioeconomic status, social roles or cultural norms (Senn, 1988: 46).

Nord (1974) also calls for the examination of broader historical and

social factors in the study of human behavior through organizational analysis. According to Nord, current research is strongly individualistically oriented and ignores the larger social issues underlying and resulting from the problems studied. In addition, Nord asserts, current research tends to accept the existing power distributions as legitimate. By virtue of its position of authority, the strategies of management, such as organizational downsizing, are accepted as legitimate regardless of their potential social ramifications. Nord concludes that human resource researchers are essentially operating in support of the existing political and economic structures and thereby ignore possible alternatives for satisfying interests that conflict with management.

More recently, Wilpert continued the call for organizational behaviorists to consider the environmental context in their research:

Many reviewers of OB have lamented the obvious neglect of contextual environmental factors in research and theorizing ... Environmental impacts on OB make themselves undeniably felt at a time when technological and demographic changes in the work force induce novel ways of organizational adaptation (Wilpert, 1995: 81).

This sentiment is echoed by Mowday and Sutton (1995) as they conclude that researchers need to immerse themselves in organizational contexts. I address the shortcomings identified by Rousseau, Senn, Nord, Wilpert and Mowday and Sutton through the use of the concepts of ideology and the social contract.

IDEOLOGY

The “social contract” has emerged as a topic of political debate (Reich, 1994), as an important story in the media (Wall Street Journal, 1994), and as

an issue for litigation² . Defining what the social contract means in the United States, however, is highly problematic. Moreover, even if such a contract were accepted as a normative heuristic, there has been surprisingly little attention paid to how social contract norms are produced, altered, and maintained.

I wish to develop two distinct visions of the social contract. To illuminate these views I examine the long standing ideological contention between those who see the individual as incomplete outside of a social context and those that define the social context as a potentially oppressive constraint on individual sovereignty. The former are communitarians, the latter liberals. Each view spawns a distinct vision of the “social good” and each is an important component of the socioeconomic fabric. The objective of this conceptual approach is to present an account of how ideologies define political, and more importantly in the context of the present study, economic social contracts.

Definition of Ideology

Eagleton (1985) describes the elusive nature of ideology and discusses why it has been difficult to define. The traditionally negative connotations that have been attached to the term “ideology” seem to originate from the linking of ideology to totalitarian, frequently communist, states suspected of manipulating public opinion for the purpose of constructing a state-sanctioned version of truth and history, frequently relying upon a closely controlled mass media. Such state-serving accounts are seen as efforts to control and reproduce sanctioned values, referred to as ideology.

² One such example is litigation over the termination of health benefits for retired workers.

Ideology has, however, a much broader role than the controlled production of ideas, beliefs, and values in social life. Some of these, according to Eagleton, include: the social determination of thought; the promulgation of the ideas and beliefs of a social class; the promotion of the interests of a specific social group; promotion of a dominant special interest; legitimation of interests of the ruling class; and false or deceptive beliefs that emerge from the material structure of society (false consciousness).

Ideology may also perform the more positive function of sensemaking. Establishing a moral order that people use to understand actions and interpret statements supports sensemaking. Jary and Jary (1991) and Weiss and Miller (1987) lay the foundation for the definition I have selected; *ideology is shared ideas, values, and beliefs that serve to define and defend the existing or envisioned structure of social relations* (Shepard, 1992: 265).

Ideology and the Social Contract

It is worthwhile to imbue the social contract with an ideological perspective in part because ideology serves to forge social relationships, supplies the direction and coherence necessary to maintain the social fabric, plays a significant role in altering traditional relationships, and lends a deeper understanding of underlying values by establishing evaluative criteria. Whereas competing ideological visions are debated abstractly in the scholarly literature, they are played out in highly concrete, descriptive, individual relationships forged within a social milieu. For example, within the workplace a debate is now occurring over whether the capitalist tradition of

employment-at-will is a competitive necessity or worker exploitation (Werhane, 1985). Rival views on this question engender specific activities on behalf of union members and management interests to capture the ideological allegiance of employees (Cobb, Stephens, and Watson, 1995)

A second reason for examining the social contract within an ideological context is to weigh the influence of ideology in the inevitable conflict and change taking place within social relationships. Our position takes as given that an individual's way of thinking about right and wrong is contested terrain. That is, insofar as distinct actions and interests oppose each other, the separate constituents will vie for ideological dominance and the installation of their distinctive perspective of what constitutes justice, fairness, and right or wrong.

A third reason for interest in ideological influences on the social contract rests in its role of legitimizing policies. If and when the individual's moral reasoning is ideologically seized, it serves to further legitimate and promote the values embedded within that ideology. In this sense ideology serves to defend and justify specific institutional acts and policies.

A fourth merit to applying an ideological perspective is the understanding of underlying motives, interests, assumptions, and goals of contestants that it provides. Ideological arguments illuminate this underlying framework, laying bare the value structures being promoted both for the individual and the collective.

Finally, and perhaps most importantly, an ideological perspective on social contract theory makes explicit the place of ethics in economic relations.

Robert Solomon (1992) objects to the application of social contract theory to the study of economic relations because this approach has traditionally been associated primarily with “atomistic individualism” -- “the appealing and long-standing idea that we are each first of all individuals who then enter into various agreements with one another, whether wholly voluntary or under considerable duress” (Solomon, 1972: 77). It is, of course, perfectly legitimate for Solomon to take an Aristotelian (a variant of communitarianism) perspective on the nature of business ethics. He is mistaken, however, to dismiss social contract theory out of hand, and he might not have done so had he considered the possibility of a communitarian social contract or a social contract based on cooperative individualism. Solomon rejects social contract theory in part because he sees atomistic individualism as the basis for social contract theory, which in turn he believes is grounded in egoism or the exclusive pursuit of self-interest (Rachels, 1993). Any theory of business ethics based on egoism, of course, fails as a moral theory because morality entails concern for the interests of others along with one’s own self-interest (Shepard, Shepard, and Wokutch, 1991). The communitarian ideology, as well as cooperative individualism, provides an ethical grounding for the social contract perspective.

The concept of ideology has now been defined and linked to the concept of the social contract. We can now turn to the two polar ideologies for liberalism and communitarianism, after which I relate these ideologies to the political and social contract.

LIBERALISM AND COMMUNITARIANISM

Continuing with the argument that ideologies underlie and inform social and political arrangements (Jary and Jary, 1991), this section extrapolates two ideal-type ideological orientations from the political and economic philosophy literature; liberalism and communitarianism. Although there exists a continuum and admixture of these traditions, an ideal-type construction has the advantages of providing a pure-form abstraction that serve definitional and analytical purposes.

Liberalism

In response to the arbitrary despotism of monarchs, scholars such as Hobbes (1651/1968) and Locke (1690/1980) formulated political philosophies that advocated the removal of impediments from people's lives so that all might experience fulfillment. These ideas provided the foundation for the American revolution. Moreover, they were powerfully advanced in the 19th century by utilitarian philosophers (e.g. Mill (1859/1993); Sidgwick, (1883)) who argued that social systems existed to facilitate each individual maximizing his or her own conceptions of the good. The resulting ideology -- classical liberalism or individualism -- grants primacy to the principles of individual autonomy, the inviolability of liberty, and a minimized role not only for central governments, but for all social institutions. In the individualist's understanding, to engage in conduct that advances the interests of others, while not simultaneously advancing one's own interests, constitutes exploitation (Gauthier, 1986). Under these principles the individual responsibility for constructing and sustaining a fulfilling life is

central.

Individualists view freedom as the absence of constraints (Waldron, 1993, Raz, 1986, Kymlicka, 1989). In the economic sphere, property rights receive particular emphasis (Locke, 1690/1980). It follows from this premise that individual liberty takes precedence over collective interests, business owners are at liberty to run their organizations as they see fit to maximize their own wealth (Friedman, 1979). In the contemporary world, in which management and ownership are usually separated (Berle and Means, 1932), the implication is that managers ought to conduct business so as to maximize shareholder wealth. Government or institutional constraints upon economic activity are seen as serious abridgements of liberty.

Communitarianism

Communitarianism is rooted in the political philosophy of Rousseau (1762/1987). Rousseau saw that the community was more than the sum of the individuals that comprised it and that collectives had value beyond their role in establishing a forum for individual success. Whereas the individualists seek to remove constraints from personal endeavor, Rousseau described an existence made possible and fulfilling through the good community. Contemporary communitarians (e.g. Etzioni, 1995; Ehrenhalt, 1995; Sandel, 1996) have advanced Rousseau's principles and aim to enhance the quality of collective living. Consequently, on the argument that a healthy community is prerequisite for a fulfilling human life, communitarians elevate the importance of community characteristics above absolute individual liberty and autonomy (Etzioni, 1995). Galston (1996)

recently outlined several fundamental communitarian principles which include doing one's fair share as a citizen, accepting personal responsibility for the community's welfare, exercising restraint in individual choice in order to honor and respect community traditions and ties, and a regard for authority and obeying legitimate and just authority (Galston, 1996). Because institutions and persons share mutual obligations to the community's well-being, citizens owe correlative and supervening responsibilities to their communities (Spragens, 1995).

In opposition to the individualist's position that exercise of choice is a paramount value that must be protected from institutional abridgement, communitarianism holds that institutions play an important role in preserving the values of the community as well as in ensuring social justice for all citizens. Since most contemporary communitarians emphasize the role of mediating institutions (i.e. organizations such as voluntary associations, churches and local governments, they cannot be deemed as state perfectionists in the Hegelian sense. However, communitarians claim (e.g. Sullivan, 1995) that the individualist's call for a minimal state is an example of how little they recognize that institutions may help to promote the good life for all citizens. Communitarians believe that we are embedded within our community to the extent that we learn to view the merit of our life choices through the lens of the community's ideas, values and beliefs (Taylor, 1989). Nobility and freedom are derived from one's willingness to subordinate personal interest to the overall common good (Young, 1995), so

long as the benefits are broadly and fairly distributed³. It is this insistence that social goods should redound to the benefit of all, coupled with the mandate that citizens be allowed to determine the rules they live by, that distinguishes communitarians and authoritarians -- the historical ideology that individualism expressly opposes.

LIBERALISM, COMMUNITARIANISM AND THE POLITICAL SOCIAL CONTRACT

The political social contract is a normative framework, addressing beliefs regarding the appropriate behavior in a social unit (Gough 1963). In this sense, the political social contract is the set of standard beliefs that justify the continuance of relationships between parties. The specific beliefs imbuing the political social contract are ideologically dependent. In the present study, I differentiate liberal and communitarian visions of the political social contract.

Liberalism and the Political Social Contract

Historical conceptions of the political social contract lean heavily on the works of Hobbes (1651/1968), Locke (1690/1980), and Rousseau (1762/1987). Traditional liberal views are advanced by Hobbes and Locke. Hobbes held a negative view of man's nature: "... during the time men live without a common power to keep them all in awe, they are in a condition which is called war" (Hobbes, 1651/1968: 185). In this state of war there is no

³ We recognize the ability to make a priori or post hoc evaluations of fairness and justice assumes a free market of ideas, beliefs and values that individual's select, evaluate and apply to empirical circumstances. This ability is clearly present in large pluralistic societies such as the United States, but we acknowledge the potential contradiction this may raise in smaller, homogeneous social units.

justice, and hence persons come together to protect themselves from harm or death and to organize in such a way as to acquire the necessities of living.

For Hobbes, liberty is simply “... the absence of external impediments: which impediments, may oft take away part of a man’s power to do what he would” (Hobbes, 1651/1968: 186). Persons, however, enter a Hobbesian contract by allowing others to have as much liberty as a person would want for himself or herself. In the Hobbesian contract, once the covenant is broken by one party there are no longer obligations on the part of other parties.

John Locke further advanced the liberal contractarian perspective. For Locke, the state of nature is not war-like, but rather one in which people are free, equal, and independent. Moreover, one is not subject to the whims of others. Persons, however, will give up this natural liberty to organize among themselves for comfortable, peaceful, and safe living, and for the enjoyment of rightfully held property. Whereas Hobbes argues that even if a person were coerced by fear to enter into an agreement, that agreement remains valid, Locke contends that a person must consent to the agreement: “Every man being, as has been shown, naturally free, and nothing being able to put him into subjection to any earthly power, but his own consent” John Locke (1690/1980: 63). Furthermore, the role of property in the Lockean vision gains in prominence: “... God, I say, having made man and the world thus, spoke to him, (that is) directed him by his senses and reason...to use those things, which were serviceable for his sustenance, and given him as a means of his preservation” (Locke, 1690/1980: 46). Thus, it was a God-given mandate to apply his or her individual strengths.

Finally, the role of the state is minimized. This is made clear in the Lockean position of tolerating various visions of the good. The government can acquire no more power than people had in the original position. Moreover, people in the original position could not declare another person a heretic (for who would enforce the declaration). Thus, it follows that governments do not have the power to intervene in order to establish a predominant vision of how to live.

In summary, the liberal version of the political social contract elevates individual rights above the general will of the community. In this view, the individual is an end in him or herself and not merely a means to some collective end above and beyond that person. An individual, in this case, cultivates personal judgment, even if it is opposed to the general will of the majority. What's more, the state must remain neutral and may not interfere with one's right to pursue his or her own vision of the good life.

Communitarianism and the Political Social Contract

Rousseau elevated the role of the community in relation to the individual and thereby offered a communitarian version of the political social contract. In Rousseau's mind, because humanity's natural state could not be maintained, people were compelled to come together -- to pool their strengths and talents in order to overcome the rigors of nature and to prosper. This association of cooperative persons applies its collective strength for the protection of its individual members and the property of those members. Rousseau's theory explicitly requires that the same level of liberty experienced in the state of nature be maintained within the association. This freedom,

however, is not conceived as unconstrained free will, but rather as an obedience to the collective's general will -- a will that is founded on a consensus that includes the approval of each member:

The first and most important consequence of the principles established...is that the general will alone can guide the forces of the state according to the end for which it was instituted, which is the common good. For if opposition of private interests made the establishment of societies necessary, it is the agreement of these same interests that made it possible. It is what these different interests have in common that forms the social bond, and if there were not some point at which all the interests are in agreement, no society could exist. Now it is uniquely on the basis of this common interest that society ought to be governed (Rousseau, 1762/ 1987: 198).

This implies that persons come together to cooperate for the good of all members, and that individual self-interest is only recognized insofar as it is "in agreement" with other members' interests. Ultimately the state assumes responsibility for governing individual members and these responsibilities become fixed within the traditions and customs of that community. Traditions, customs, and other institutionalized practices shape a person's conceptions of what is just or good. Moreover, there is little or no role for autonomous choice in the communitarian vision because individual choice and its concomitant requirement for a variety of visions for the good life yields to community ideals of justice and goodness.

According to Rousseau, even if the fundamental principle of commensurate liberty is not explicitly articulated, it is tacitly a part of the

social contract between persons and the political order. In this way the notion of individual inviolability takes a place of prominence consistent with earlier liberal contractarians such as Hobbes and Locke. Unlike these contractarians, however, Rousseau endorses a general will of the community over an atomistic will of the individual:

...each of us contributes to the group his person and powers which he wields as a person under the supreme direction of the general will, and we receive into the body politic each individual as forming an indivisible part of the whole (Rousseau, 1762/1987: 151).

According to Rousseau, atomistic individualism cannot support a normative framework strong enough to create a lasting social order (Young, 1991) . Placing his faith in rational individual reason, Rousseau argues that people are capable of yielding to the common good and subordinating their personal interest. Indeed, nobility and freedom are situated in willingness to subordinate personal interest to the overall common good.

Portraying freedom as the adherence of the individual to communally-developed standards is at odds with the notion of self-determination and personal choice. Ultimately, the community is a homogeneous association that is unified with common goals and values which are generated from the general will of the collective members. The general will is, moreover, seen as greater than the aggregate wills of individuals.

TRUST, COMMITMENT, CITIZENSHIP AND ALIENATION

Empirical and theoretical literature indicates that people are subject to estrangement from the institutions and organizations that pervade their lives. This estrangement is referred to as alienation, and is defined by Shepard (1974) as a social-psychological separation from important social referents. Alienation is of concern to organizational behaviorists because it is commonly seen as an outcome of policies and procedures that can be altered to be less alienating. Moreover, alienation may become antecedent to some other attitudes and behaviors that are unfavorable to the organization. It is, for example, expected that an alienated member of the collective will be less committed to it, and evaluate its importance lower, be less participative, and have fewer emotional ties (Abrahamson and Anderson, 1984).

The lack of participation and a reduction in emotional ties indicates a state of mind that is unfavorable to institutions. This state of mind may inhibit behaviors beneficial to the organization, including behaviors that are not specific performance requirements. The notions of trust, organizational commitment (Mowday, Steers and Lawler, 1979), organizational citizenship behavior (Smith, Organ and Near, 1983), and prosocial behavior (Puffer, 1987) are among such behaviors.

In this study I am concerned with whether restructuring policies are related to alienation as indicated by a loss of trust, commitment and citizenship behavior. I surmise that downsizing will be negatively related to these indicators. I further argue that these outcomes will be moderated by one's ideological orientation.

SUMMARY

This chapter has reviewed previous literature that deals with the affective and behavioral outcomes of organizational restructuring -- specifically layoffs. The organizational justice literature was reviewed, as was the contractual literature (including both the psychological and implied contracts). It was argued that a broader social perspective can contribute to our understanding of the sources of people's attitudes and behaviors within the context of organizational restructuring.

I then examined the concept of ideology. Determining that ideology serves to define and defend the nature of social relationships, I examined the two predominant ideologies -- communitarianism and liberalism. I briefly reviewed the history and meaning of the social contract tracing the origins of both a liberal and communitarian social contract. I concluded by delineating the characteristics of the liberal and communitarian political social contract.

The first step in the theoretical development of this dissertation has been the linking of ideology -- liberalism and communitarianism in particular -- to the concept of a political social contract. This was accomplished in this chapter by delineating characteristics of both the liberal and communitarian political social contract. The second step in the theoretical development requires connecting liberal and communitarian versions of the political social contract to the economic institutions, this we call the economic social contract. This will be done in the next chapter by building on the connections made in the present chapter. Specifically, I will identify five central dimensions on which liberal and communitarian

political social contractarians differ theoretically. These differences between liberal and communitarian political social contractarians will be used to formulate attendant liberal and communitarian economic social contracts, a move that has yet to be made systematically in the literature. This move permits the identification of five constructs, which in turn will allow for the isolation of five variables to be used in formulating and testing a series of hypotheses. These hypotheses predict perceptions of organizational fairness and alienation within the context of restructuring.

CHAPTER 3

THEORETICAL AND EMPIRICAL MODELS

THE THEORETICAL MODEL: IDEOLOGY AND SOCIAL CONTRACTS

What is perceived as economically just within an organizational restructuring context is a central concern of this dissertation. We submit that one way of evaluating economic justice in a socioeconomic context is to apply the concept of an economic social contract. This raises the question of the nature of this economic social contract.

Since the current the organizational literature is largely silent on the nature of the economic social contract, I turn to political philosophy, first to the classical political social contractarians and then to contemporary political philosophers. Here exists two fundamentally different views of the role of the state and state institutions vis-a-vis the individual -- liberalism and communitarianism.

These two views constitute ideological orientation. Chapter two examines the linkage between ideology and visions of the political social contract. It also argues that ideological orientation affects individual's conceptions of the political social contract. In this chapter this argument is furthered by asserting that ideological orientation influences expectations about economic institutions. In other words ideology influences people's view of the nature of the economic social contract and consequently of economic justice.

Most research and theoretical work has focused on contracts at the psychological level. Scholars specified a social contract for business (Donaldson, 1982; Keeley, 1988, Dunfee, 1991, Donaldson and Dunfee, 1994), including minimal organizational social responsibilities. These conceptions, however, have not been linked to ideology. I have turned, as a practical matter, to the classic social contract theory of political philosophers and to liberal and communitarian ideologies. These ideologies provide us with a vehicle for developing two distinct, ideal-type conceptions of the social contract.

Whether the political system determines the economic system or the vice versa, although both interesting and controversial, this debate is beyond our focus. Political social contract theory is used here merely as a practical device for developing a vocabulary for possible economic social contracts, which are defined differently by liberals and communitarians.

As argued in Chapter two, the liberal ideological position defines freedom as a lack of constraint imposed by the state on citizens. The liberal point of view is eloquently argued by Kymlicka (1988): People, he maintains, must lead their individual lives in accordance with their *own* values and beliefs. In addition, they must be at liberty to examine and change those values and beliefs in order to live personally meaningful lives.

In contrast, communitarian ideology focuses on the importance of the social environment in the lives of people. Communitarians believe that we are embedded within our community to the extent that we learn to view the merit of our life choices through the lens of the community's ideas, values

and beliefs (Taylor, 1989).

As a consequence of these differences, certain ideological dimensions of political and economic social contracts are expected to divide those with a liberal ideological orientation from those with a communitarian orientation. As will be demonstrated in the following sections, the writings of political philosophers suggest at least five such dimensions. Each of these dimensions, and their resulting implications for organizational issues are summarized in Table 3.1, the theoretical model underlying this research. I define each of these ideological dimensions in terms of the liberal and communitarian ideologies that, in turn, provide content to their respective versions of political and economic social contracts.

=====

Table 3.1

See Appendix D

=====

Column A of Table 3.1 identifies the five ideological dimensions of interest in this dissertation. These dimensions, derived from the classical arguments in political philosophy between communitarians and liberals, include conceptions of individual life choices, personal identity, sources of self-respect, duties to others, and duties to the community. Column B identifies the fundamental arguments of liberals and communitarians regarding the political social contract on each dimension. In general, the arguments described represent polar political positions on each dimension. Column C, labeled economic social contracts, outlines the ideological

positions relative to legitimate economic arrangements that are consistent with those presented in the political social contract. Column D defines the stances on organizational issues corresponding to these dimensions. The moves to relate political and economic social contracts and to relate both types of social contracts to ideology are two contributions of this dissertation.

Life Choices

The dimension of life choices refers to the determination of one's life projects and aims. At the liberal end of this dimension is the assertion that the individual is responsible for his or her own life choices. Individuals have a right of choice in their life activities. This liberal premise demands a cultural menu in which a choice of alternative and fulfilling life options are available to independently minded individuals (Rawls, 1993; Waldron, 1993; Kymlicka, 1989, and Dworkin, 1989).

The right to choose and the capability to choose one's projects and aims is central to the notion of freedom in the liberal ideology. This right and capability extends to all members of the society and each member is expected to respect the right of others to change their views and aims when pursuing their life choices. Kymlicka (1989) summarizes the classic liberal position:

... we have two preconditions to the fulfillment of our essential interest in leading a life that is good. One is that we lead our life from the inside, in accordance with our beliefs about what gives value to life; the other is that we be free to question those beliefs... Individuals must therefore have the resources and liberties needed to live their lives in accordance with their beliefs... And individuals must have the cultural conditions conducive to acquiring different views about the good life (Kymlicka, 1989: 13).

Kymlicka's preconditions call for a tolerance of diverse views within a society that presents its members with alternatives; without alternatives, choice is moot.

Dworkin (1989), although also a liberal, contributes a slightly different perspective. For Dworkin, one makes some choices that do not directly advance one's personal aims, but are, nevertheless, indirectly contribute to the achievement of one's projects and aims. For example, one may risk one's life or wealth to defend the community, not through any particular personal identification with that community, but rather because such activity is seen as preservation of an environment supportive of the individual's freedom to make his or her own life choices:

The argument...does not suppose that the good citizen will be concerned for the well-being of fellow citizens; it argues that he must be concerned for his own well-being, and that, just in virtue of *that* concern, he must take an interest in the moral life of the community of which he is a member (Dworkin, 1989: 208).

Dworkin's conception of life's choices and the good illuminates a role for the community for the liberal. Through Dworkin it becomes clear that a person will take interest in the welfare of the community only insofar as that particular aspect of communal life somehow protects one's chances of realizing one's life projects and aims.

In sum, liberal philosophers conclude that life choices must be directed from within, that they must be consistent with a strongly felt desire to

pursue a specific life objective. Also, society must support broad tolerance for diversity in order to support such choices. The moral condition of the community is of concern only when it is perceived to interfere with individual pursuit of life choices.

At the other pole is the communitarian assertion that life choices are socially embedded. The communitarian claims that the liberal notion of individual choice is illusory on two counts. First, what is held to be fulfilling in personal lives is worked out in a social context (Taylor, 1989) and second, that each of us inherits certain communal obligations that supersede our personal, egoistic ends (Walzer, 1983). This rationale leads the communitarian to conclude that a person chooses life goals based upon social interaction with others. People contrast our feelings, thoughts, and activities to those of others in order to inform ourselves of desired life goals. Moreover, one cannot know what is important without the affirmation of others.

Life choices and liberal political and economic social contracts. For several prominent liberal political philosophers, cooperative bargaining or competition emerges as the mechanism by which life choices are realized. Hobbes (1651/1968), one of the major classical liberal contractarians, understood the nature of humans to be contentious and competitive. Hobbes maintained that humans have “... a perpetual and restless desire of power after power, that ceaseth only in death” (Hobbes, 1651/1968: 161). The Hobbesian view sees individuals struggling against each other for the achievement of their personal ends: “Competition of riches, honor,

command, or other power enclineth to contention enmity, and war: because the way of one competitor, to the attaining of his desire, is to kill subdue, supplant, or repell the other” (Hobbes, 1651/1968: 161).

Classic liberal philosophers emphasize both competition and bargaining. Hobbes’ focus was primarily on competition; Locke took a somewhat more cooperative view:

Whosoever therefore out of a state of nature unite into a community must be understood to give up all power, necessary to the ends for which they unite into society, to the majority of the community, unless they expressly agreed in any number greater than the majority (Locke, 1689/1989: 53).

In this democratic scheme, cooperation and give-and-take bargaining is required in forming the majority opinion. In addition, those that elect to enjoy the merits of a community agree to having their life choices somewhat diminished by the will of the majority. Locke’s emphasis on property rights, however, was meant to guarantee liberty for the common man.

Hobbes and Locke form the foundation for several twentieth century liberal philosophers; and their ideas meld well into the capitalist liberal economic arrangement which forms the economic social contract. Gauthier (1986), emphasizes the role of competition, cooperation, and bargaining in society, particularly in market economies. Gauthier presents four core conceptions in his theory of morals by agreement. First, “...in a perfectly competitive market mutual advantage is assured by unconstrained activity of each individual in pursuit of her own greatest satisfaction” -- in other words, life choices (Gauthier, 1986: 13). Second, when the free market fails at this

function, rational agreement among the parties must be reached for the allocation of resources. Third, in such an environment, constrained maximization optimizes opportunities for the realization of life choices. Fourth, there is no place for this rational constraint unless it is to the mutual benefit of all other persons. According to Gauthier: “The market is a central concern of our study. Indeed... a rational morality provides for the choice of a perfectly competitive market...” (Gauthier, 1989: 84). Personal independence in entering and maintaining relationships plays a paramount role in their conception of economy and society.

It follows from this discussion that when each person is at liberty to make his or her life choices, that person’s potential economic outcomes must be their personal responsibility and ultimately figured into their calculus of possible consequences for choosing an aim or goal. By virtue of having exercised choice, these outcomes become a matter of personal responsibility. If individuals choose to participate in the labor market, then they agree to accept certain fundamental characteristics of it.

This idea is particularly applicable to the context of organizational restructuring. Liberals argue that organizations have no social responsibilities other than to pursue their chief aim of maximizing profit (Freidman, 1970). Therefore, liberals would not expect, for example, job security from an organization that is focused on maximizing profits in an uncertain, competitive marketplace. Policies of variable labor costs and contingent employment are reasonable under such a view. In fact, Freidman (1970), argues that management would be irresponsible in concerning

themselves with these social issues at the expense of maximizing the returns on investments to owners.

Life choices and communitarian political and economic social contracts. Communitarians counter the liberal position, arguing that a person cannot conceive of fulfilling life choices and activities outside of communal attachments. People understand the value of choices, the argument goes, through interaction with other people in the community (Taylor, 1989, 1985). Moreover, Walzer (1983) points to Rousseau's comments regarding the responsibilities of persons in the state: "The better constituted a State is, the more do public affairs occupy men's minds to the exclusion of their private concerns" (Rousseau, 1762/1947: 198). For Walzer, Rousseau provided the strongest political argument for the sharing of important communal obligations:

Men (and we would add, women too) must share in socially necessary work as they share in politics and war, if they are ever to be citizen's of a self-governing community. If political participation and military service are required, so is the *corvee* , or labor service, else society divides into masters and servants (Walzer, 1983: 171)

In this way, Walzer further argues for the primacy of collective concerns over private interests. These concerns for communal interests, combined with Taylor's assertions that life projects are based, at least in part, on what is socially valued, contradicts the liberal version of the importance of life choices.

The political philosophy of Rousseau also suggests that communities

and their institutions have reciprocal responsibilities to community members. Rousseau's social contract asserts:

Each of us puts his person and all his power in common under the supreme direction of the general will; and in a body we receive each member as an indivisible part of the whole. (Rousseau, 1762/1989: 360 [Porter])

Clearly, for Rousseau, the general will of all members supersedes that of the individual. This elevates the principle of cooperation with other community members over the liberal principles of competition and bargaining. Furthermore, in such an arrangement the person becomes an indivisible part of that community.

The communitarian economic social contract reflects these distinctions from the liberal conception and therefore posits a different view of the economic social contract. Lodge and Vogel (1987) extensively review the role of communitarian ideology in national competitiveness. These authors argue that:

For some years in the West a set of social rights has been superseding property rights in political and social importance. These are rights to survival, income, pensions, health, and other entitlements associated with membership in the community or in some component of that community, such as a corporation (Lodge and Vogel, 1987: 18).

According to Lodge and Vogel's position, then, a person has a right to employment. Similarly, using the Japanese experience as a model, Leicht and Wallace (1990) argue that persons in communitarian cultures see themselves as vested members of organizations for which they work: "Workers in Japan

are inclined to view the employment relationship as an inviolable right that cannot be disrupted by technological change, declines in product demand and other market forces” (Leicht and Wallace, 1990: 183). Communitarians believe themselves to be vested members of the organization and entitled to the benefits derived therefrom -- specifically stable employment based on the existence of certain social rights.

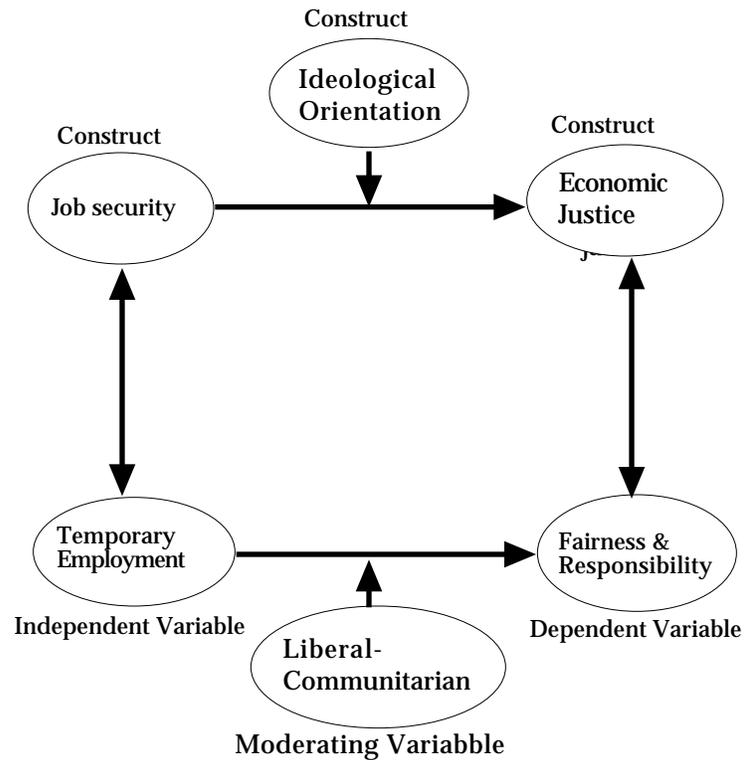
Life choices and job security. The construct of interest in this dimension is job security: reliable access to a livelihood within the organization of which one is a member. Because the liberal accepts the individual pursuit of choice, I predict that the liberal will not find a lack of job security as economically unjust. Liberals should assume that each person is responsible for his or her own economic outcomes and will eschew job security in favor of an emphasis on personal opportunity and choice in the belief that individuals and organizations have a right to self-determination. In contrast, the communitarian -- inclined to see persons as integral parts of the whole -- will see important roles for economic institutions in establishing and maintaining job security. Consequently, communitarians will claim a social right to their job and find managerial practices which threaten that right to be economically unjust. From this follows our first **proposition:** *In the context of organizational restructuring, job security will be related to ideologically-based judgments of economic justice . (See Figure 3.1)*

Proposition 1. In the context of organizational restructuring job security⁴ will be related to

⁴ Job security is operationalized in the empirical model with the variable temporary employment. This is defined in the second part of the this chapter.

ideologically- based judgments of economic justice.

Figure 3.1: Constructs and variables for hypothesizing the role of job security in economic justice.



Personal Identity

The dimension of personal identity refers to the source of self definition. The positions in this argument polarize on whether persons possess the innate ability to stand independently from social bonds, or whether they are so deeply embedded in their social attachments that their identity is in fact constructed from them. For the liberal, identity stems from within and is revised according to our changing views, values, and preferences. Personal identity is independent of our social bonds. For the

communitarian, however, identity is so deeply rooted in the community that it is lost in the absence of communal context. Communal attachments are constitutive of who one is, and one cannot construe an identity without them.

The liberal political position on personal identity is rooted in the Lockean rule of voluntary consent of the governed. Because the individual is whole and distinct from the governing order, he or she must freely consent to be counted among its supporters. This sense of independence and voluntarism, paramount in the liberal ideology, is important in determining personal identity because of its emphasis on individual voluntarism. The following passage from Locke expresses this stand: “Every man being, as has been shown, naturally free, and nothing being able to put him into subjection to any earthly power, but only his own consent ...” (Locke, 1689/1980: 63)

The liberal vision claims that personal identity is substantially shaped from within, independent of social bonds except, as noted earlier, that a social context provides a cultural menu for the individual choices that comprise personal identity. According to the liberal ideology, every person has an inalienable right to pursue his or her own definition of the self.

For the communitarian, the essence of personal identity is deeply embedded in the community. Circumstances of socialization define who we are. The communitarian perspective argues that identity is derived from individual interpretations of the roles either inherited or voluntarily assumed. Taylor argues: “One is a self only among other selves. A self can never be described without reference to those who surround it” (Taylor (1989:

35). For Taylor, the community provides both the moorings and the benchmarks by which we define ourselves as persons:

I define who I am by defining where I speak from, in the family tree, in social space, in the geography of social statuses and functions, in my intimate relations to the ones I love, and also crucially in the space of moral and spiritual orientation within which my most important defining relations are lived out (Taylor, 1993: 35).

According to McIntyre, people bring to all social circumstances a particular world view that is socially derived. This identity is the core of moral constitution and cannot be denied, revised, impeached, or otherwise extricated from our person. MacIntyre's view of identity is reflected in the following excerpt:

...we all approach our own circumstances as bearers of a particular social identity. I am someone's son or daughter, someone else's cousin or uncle; I am a citizen of this or that city, a member of this or that guild or profession; I belong to this clan, or that tribe, this nation. Hence, what is good for me has to be good for one that inhabits these roles. As such I inherit from the past of my family, my city, my tribe, my nation, a variety of debts, inheritances, rightful expectations and obligations. These constitute the given of my life, my moral starting point. This is in part what gives my life its own moral particularity (MacIntyre, 1984: 220).

Personal Identity and the liberal political and economic social contract.

Kymlicka (1989) assumes people are capable of isolating, examining and changing their beliefs -- all of which are pivotal to the liberal vision of personal identity. Because people have choice, and live in a society that tolerates diversity, identity is ultimately defined by personal choices.

Waldron supports this position and asserts that "... individual choices are seen as crucial to personal integrity. To make a decision in these areas is, in some sense, to decide what one is to be" (Waldron, 1993: 81). For the liberal, it is an inviolable individual right to pursue one's own definition of the self.

The liberal political position directly undergirds capitalist conceptions of economy which emphasizes behavioral traits of personal ambition and initiative in the pursuit of self-interest and self-identity. Nozick's point of view is representative of beliefs about the liberal economic social contract:

From each according to which he chooses to do, to each according to what he makes of himself (perhaps with the contracted aid of others) and what others choose to do for him and choose to give him of what they have been given previously (under this maxim) and haven't yet expended or transferred... [in other words] ... From each as they choose, to each as they are chosen (Nozick, 1974: 182).

Nozick's rendition of personal achievement, with his emphasis on individual free choice unfettered by communal constraints of social position and accident of birth, points out the importance of individual independence from organizational embeddedness.

Freidman takes a slightly altered view, but one that nonetheless emphasizes volunteerism in the constitution of identity. Freidman (1979) declares, that since individuals, organizations are inmarket circumstances, and all subject to change, self-defined persons we would be wrong to develop attachments that constrain freedom of movement and choice within the economic environment.

Identity and the communitarian political and economic social contract.

According to communitarians the meaning of events is determined within a social context. Our community attachments are important to our lives and our understandings of ourselves and others. In Taylor's view of the self, identity is embedded in our social experience;

What I am as a self, my identity, is essentially defined by the way things have significance for me. And as has been widely discussed, these things have significance for me, and the issue of my identity is worked out, only through a language of interpretation which I have come to accept as a valid articulation of these issues. To ask what a person is, in abstraction of his or her self-interpretations, is to ask a fundamentally misguided question, one to which there couldn't be an answer...One is only self among other selves... I define who I am by defining where I speak from (Taylor, 1989: 34-35).

Taylor emphasizes the importance of mutual assistance in discerning individual identity.

Even as the most independent adult, there are moments when I cannot clarify what I feel until I talk about it with certain special partner(s), who know me, or who have wisdom, or with whom I have an affinity (Taylor, 1989: 36).

The community's prevailing conception of the good sets the stage for the roles carry out. MacIntyre concludes that denial of social and historical roots is in fact a self-denial, and as such damages present relationships: "To try to cut myself off from the past, in the individualist mode, is to deform my present relationships...The possession of historical identity and social identity coincide" MacIntyre (1984: 220) . In MacIntyre's view, social-historical context

significantly role in defines individual identity.

The economic contract for the communitarian similarly emphasizes socially based identity. Communitarians desire the employment relationship to be a stable aspect of their lives. The importance of these communitarian trends in the workplace is emphasized by Lodge:

... labor increasingly means skill, knowledge, education, and organization... The ascendancy of community-created labor resources, coupled with the communitarian guarantee of survival and the decline of the legitimacy of property rights ... is having profound organizational effects... on the terms of organizational membership ... (Lodge, 1975: 204)

Over time, these interdependencies strengthen the ties that enmesh the employee in the organization and commit him or her to the common pursuit of organizational goals. It stands to reason that the longer the employment relationship is in force, the greater these interdependencies become and, hence the greater potential for damage to self-identity should the relationship be severed. Therefore I conclude that self-identity is bound in part to work role and to the organization of employment; organizational commitment takes on special importance to communitarians.

In the communitarian view the social context, and especially work roles, play an important part in self-identity. Therefore, communitarians would logically believe that institutions should assume some responsibility for ensuring the welfare of all persons' social circumstances so that these persons may establish a meritorious identity. In turn, persons develop an attachment to work roles because their personal identity is enmeshed in them, and to

have them severed would fracture a person's vision of the self. In this way, reciprocal obligations are established and fostered in the communitarian form of personal identity.

Personal identity and commitment. Commitment is defined as the state of being bound to a course of action -- for instance remaining with one's employer. The communitarian position, which emphasizes that community ties are constitutive of personal identity, implicitly requires reciprocal obligations and commitments between members and organizations. The employment relationship, the communitarian would argue, itself becomes constitutive of the self. The liberal position, on the other hand, stresses the role of autonomy in becoming and developing into whatever person one desires to become. Commitment to any one organization would constrain freedom to choose, and thereby diminish ability to develop an individual self-identity. No such attachments, regardless of longevity, would dissuade the liberal from pursuing choices that lead to the fostering of one's personal identity. Since the liberal view posits no long term commitments to the organization by the employee, it requires no reciprocal commitment of the organization to the employee.

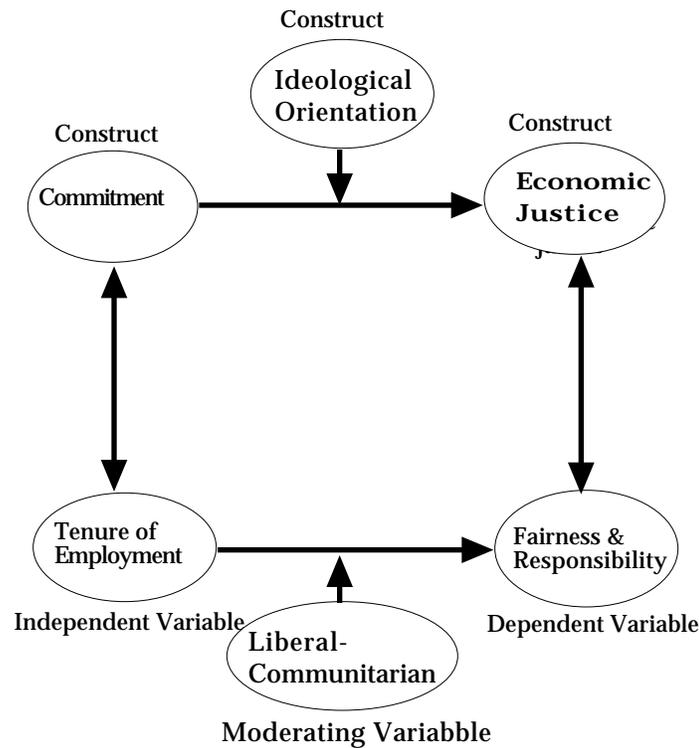
The forgoing discussion sets up the second proposition: *In the context of organizational restructuring, commitment is related to ideologically-based judgments of economic justice.* (See figure 3.2).

Proposition 2. In the context of organizational restructuring, commitment⁵ is related to ideologically-based judgments of

⁵ Commitment is operationalized in the empirical model with the variable tenure. This is defined in the second part of this chapter.

economic justice.

Figure 3.2: Constructs and variables for hypothesizing the role of commitment in economic justice.



Self-Respect

Self-respect is the sense that one is a worthwhile and valuable person. Rawls (1972, 1993) writes that the individual's sense of self-respect is the first primary good. There exists little argument among communitarians and liberals about how crucial self-respect is. Yet, there is substantial contention about the *source* of self-respect. Liberals advance the idea that self-respect is derived from realizing one's potential by selecting, pursuing, and achieving

life goals that meet the individual's life plan -- a plan constructed from self-interest. Communitarians, on the other hand, argue self-respect is derived from membership in a socially constructed and actively affirming community.

The liberal argument is as follows: First, a person develops a rational life plan consisting of aims and projects consistent with his or her individual vision of the good. Second, a person pursues that plan, attempting to maximize well-being and minimize personal sacrifice. Third, to the extent that one is successful in carrying out this plan under the above conditions, he or she will experience self-respect (Raz, 1986).

For communitarians, however, this view of self-respect emphasizes human potential and not the human condition (Taylor, 1994).

Communitarians argue that humans are all basically worthy of respect based on the principle of authenticity (Herder, 1913) and derived from their status as rational agents (Kant, 1781/1990). According to communitarians, self-respect is based on innate humanness, not particular achievements toward a life plan.

Self-respect and the liberal political and economic social contract. The liberal view of the person as expressed by Gauthier (1986) conceives of a person as an independent center of activity endeavoring to direct his or her capacity and resources in fulfillment of personal interests. Gauthier understands, however, that even independent people interact with each other for mutual benefit and in so doing must conduct constrained bargaining. This bargaining is conducted under two principles: first the

minimax principle, or the objective of minimizing relative concessions, and second, the maximin principle, or the objective of maximizing relative benefit. For Gauthier, a sense of self-respect is derived from conducting one's self fairly, and in compliance with the minimax and maximin principles. Contracts between individuals, and the institutional social contract itself, follow affirmative choice pursuing self-satisfaction, and thereby achieving self-respect.

Raz (1986) advances similar reasoning. Fundamentally, he argues that people are responsible for selecting their own aims and goals. Loss of self-respect, results from failure to meet those goals, than it is incumbent upon that person to alter their life plan. Self-respect is seen as a commodity that can be lost and recovered. The role of political institutions is simply to provide the best possible framework within which individuals can maneuver to achieve personal ends.

Liberals argue that social institutions exist not to promote self-respect, but rather to maintain an orderly state where people can peacefully pursue the activities they have chosen to seek their happiness (Oakeshott, 1972). This view also characterizes the liberal economic social contract. Donaldson (1982) summarizes (but does not endorse) the classical liberal position when pointing out that an inability to fulfill "certain needs promotes a loss of self-respect, and hence, people have an equal right to have them fulfilled" (Donaldson, 1982: 141).

An equal right, however, in the liberal view is translated by Friedman to mean "equal opportunity" of access to life-fulfilling endeavors. Even this

is subject to constraint by innate capabilities: “Literal equality of opportunity ... is impossible. One child is born blind, another with sight...like personal equality, equality of opportunity is not to be interpreted literally” (Freidman, 1979: 122-123).

In Freidman’s vision of the economic social contract, individuals bear the responsibility for selecting, seeking out opportunities for and achieving the goals that give their life meaning, and fulfilling the Aristotelian principle of fulfilling one’s capabilities. Freidman’s assessment of human nature declares is that “sloth and lack of enterprise flourish when hard work and taking risks is not rewarded” (Freidman and Freidman, 1981: 52). “Sloth and lack of enterprise” ultimately results in a loss of self-respect, by committing people to poverty and shame. According to this view, rightful business owners, by virtue of investment, risk taking and legal control, have the prerogative to manage that business in whatever way tht maximizes their personal satisfaction. When employees take jobs they are tacitly agreeing to the ground rules of owner perogatives, which may preclude long-term employment. Liberals argue that business owners’ first responsibility is to themselves; the livelihood and concomitant feelings of self-respect are the responsibilities of the individual employee.

Self-respect and the communitarian political and economic social contract. Rousseau (1754/1987) provides the underpinning of the communitarian position with his analysis of the hierarchical society. Rousseau argues that those in higher social brackets always look down upon those in lower brackets to derive their sense of self-worth -- a position he

disparages:

From the great inequality of fortune and condition, from the vast variety of passion and talent, of useless and pernicious arts, of vain sciences, there would come a pack of prejudices equally contrary to reason, happiness and virtue (Rousseau 1754/1987: 79)

Contemporary communitarians criticize the liberal position on the grounds that establishing the social structures which promote self-respect does not provide self-respect but are rather a means to the end of self-respect:

The focus is not on the primary good as such, but on actual capabilities that the primary goods provide. The question arises in the interpersonal variation in the transformation of primary goods into actual freedoms ... of the “social basis of self-respect” into the actual capability to have self-respect (taking note of variation of personal characteristics) (Peffer, 1990: 430).

Extending this critique, Taylor equates self-respect not with self-esteem but with dignity. Dignity has a broader meaning than self-esteem for Taylor: “The politics of equal dignity is based on the idea that all humans are equally worthy of respect” (Taylor, 1994: 41). For Taylor self-respect comes not from potential achievements but rather from belonging and communal membership. Walzer also takes this position when he declares self respect is “... a proper regard for the dignity of one’s person or position ... [W]e admire ourselves when we are admired by people around us” (Walzer, 1983: 274).

The communitarian economic contract that reflects the idea of self-respect emphasizes the role of corporations in the provision and character of labor: “ ... self respect lies in one’s relationship to the whole; work within that

relationship is inseparable from it” Lodge (1975: 166). Self-respect, therefore, is derived from membership in the organization. Japan, has been widely noted (Leicht and Wallace, 1986) as a nation in which communitarian political ideology infuses economic values. The role of economic institutions in Japan toward workers appears quite different from their Western counterparts. Lodge articulates the communitarian stance:

More recently many in America, as elsewhere, would probably say that the purpose of business is the employment of workers [as opposed to the financial return to investors] ... in the communal model ... the emphasis is on the organization as whole, as a community of which the individual becomes a part ... (Lodge, 1975: 34)

In a communitarian arrangement a person becomes part of the whole -- a member of the business. From belonging a person is expected to derive a sense of self-worth; accomplishments will be recognized by others and one’s endeavors become integral to the collective objectives. This holistic sense of is underscored by Solomon:

The search for wholeness in the individual employee or manager extends to the corporation itself, and here we come back to the now familiar notion of stakeholder ... The great virtue of the notion of stakeholder, however, is its sense of holism ... concern for the whole rather than *some* of its parts (Solomon, 1992: 181) [emphasis added].

Taylor’s concept of dignity is reflected in Solomon’s notion of honor: “One’s sense of self-esteem is dependent on one’s sense of honor” (Solomon, 1992: 222). Solomon sees this sense of honor as derived from the accomplishment of the whole business unit: “Merit, in the context of honor

has to do with who one is -- namely a member of a group in good standing” (Solomon, 1992: 222). Moreover, Solomon asserts that businesses have a responsibility to cultivate their civic virtues consistent with the honor and self-esteem of their members. He concludes: “There are standards and virtues at issue in business without which the enterprise will not and does not deserve to survive” (Solomon, 1992: 224).

Self-respect and employability. The contention of interest in this dimension is employability. Employability is defined by Rousseau and Anton (1988) as the likelihood that a person who is laid off will be employed in another company. A stronger indicator is the role the current organization takes to ensure employees remain employable in general, outside of or within the firm. The employee will always have the requisite skills necessary to earn a livelihood. For the communitarian organizations are expected to enhance employability. Employability is reflective of self-respect in that it emphasizes one’s ability to establish and maintain the employment relationships that are critical to the both a sense of belonging and/or a means of affirmation.

According to the liberal, the corporation has a right to conduct the pursuit of its goals and aims under the sole prerogative of management. The employment relationship should merely represent current opportunity, or means, to ends which may or may not include self-respect. It is the responsibility of the individual to ensure that he or she has the skills necessary to remain employed with the company or with another company. It is not the organization’s responsibility to ensure that employees have the

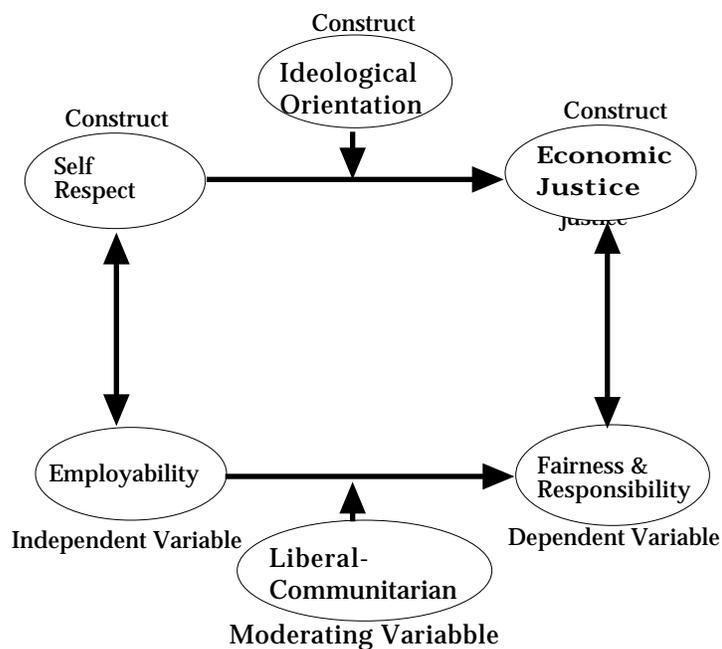
skills required for the future. Should their means be altered they are expected to believe they should adjust them or the characteristics in themselves that are inhibiting their achievements. Consequently, liberals would not find a lack of concern for a person's employability to be unfair or irresponsible.

On the other hand I posit that communitarians believe the organization shares responsibility for the maintenance of self-respect. This concern would stem initially from the importance of social belonging to the sense of self-respect and from the importance of work in the overall scheme of feeling worthwhile. For these reasons I anticipate that communitarians will find a lack of concern for employability on the part of employing organizations to be unfair and irresponsible. This leads to our third proposition. *In the context of organizational restructuring, maintenance of self-respect will be related to ideologically-based judgments of economic justice. (See Figure 3.3).*

Proposition 3. In the context of organizational restructuring, self-respect⁶ will be related to ideologically-based judgments of economic justice.

⁶ Self-respect is operationalized in the empirical model with the variable employability. This is defined in the second part of this chapter.

Figure 3.3. Constructs and variables for hypothesizing the role of self-respect in economic justice.



Duties To Others

What are our duties to other persons? How are these reflected in the role of the state in our lives? These are questions that differentiate those with liberal versus communitarian ideologies. Duties are seen as obligations that a people should fulfill by virtue of their position and role in society despite there being no reward for fulfilling the obligation, or punishment for not fulfilling it (Flew, 1984; Wilson, 1993). For example, a father has certain duties to his children by virtue of his role as a father.

The classical liberal position on duties to others was articulated Hobbes (1651/1968). In the Hobbesian state of nature men are at war with each other, attempting to maximize their individual interests. Gauthier describes this

position:

Since the unlimited right of nature gives rise to war, renouncing some part of this right is necessary for peace. The renunciation must of course be mutual; each person expects to benefit, not from his own act of renunciation, but from that of his fellows (Gauthier, 1986: 159)

Liberals take from this position that persons have obligations to respect the rights of others, even if it is solely for one's own benefit. The contemporary liberal position is solidified by Raz: "Rights are grounds of duties in the sense that one way of justifying holding a person to be subject to a duty is that this serves the interest on which another's right is based" (Raz, 1986: 183). This view is referred to as "rights based duties."

Rousseau, on the other hand, lays the groundwork for a communitarian version of obligations and duties: "A citizen owes the state all the services he can render it as soon as the sovereign requests them. But the sovereign, for its part, cannot impose on the subjects any burden that is useless to the community" (Rousseau, 1762/1987: 157). For Rousseau, then, one is accountable to society for actions that support the community. This notion is known as "membership based duties." In this scenario, one is obliged to set aside one's own self-interest and respond affirmatively to obligations and duties as imposed by the state.

Under each of these views the role of the state differs. Because the number of duties one has to others is minimalized in the liberal view, the state's role is reduced to simply providing for the protection of life and

property. The added duties incumbent upon a citizen of the communitarian state requires a state more active in promoting, establishing and maintaining consensus among the citizens.

Duty to others and the liberal political and economic social contract.

The contemporary liberal view of duties is expressed by Waldron (1993). For Waldron, as for Raz and Gauthier, duties are rights based -- duties exist to uphold individual rights:

In the case of these duties, the argument of imposing it is traced back, via the complexities of political life, to the concern for an individual interest that underpinned [a] right in the first place: we say that a right protects a basic human interest and that in the current circumstance of human life one cannot be said to take that interest seriously if one is content to stop at the ... [mere duty] and not worry about anything further... [the right it supports] Waldron(1993: 14).

What is also interesting in Waldron's conception is what is not explicitly considered a duty. For example, would one have a duty to save a drowning person if it could not be shown that not so doing violated someone's rights? Rawls provides some insight:

... if the basis structure of society is just, or as just as it is reasonable to expect in the circumstance, everyone has a natural duty to his part in the existing scheme [these are] ... the duty of helping another when he is in need or jeopardy, provided that one can do so without excessive risk or loss to oneself; the duty not to harm or injure another; and the duty not to cause unnecessary suffering (Rawls, 1971: 144-115).

The Rawlsian conception qualifies the obligation with considerations

of personal risk. These risks are weighed in the decision of whether one has a duty to perform a particular act. These views, rooted in the individualism characteristic of the liberal ideology, have important ramifications for the role of the state in citizen's lives. The liberal conception argues for an anti-perfectionist role for government regarding the support of particular values, conceptions of the goods, and the associated imperfect duties. Raz expresses these anti-perfectionist principles:

A: Neutrality concerning each person's chances of implementing the ideal of the good he happens to have.

B: Neutrality as in A, but also regarding the likelihood that a person will adopt one conception of the good over another (Raz, 1986: 112).

In this scheme the state serves only to protect perfect rights, such as the right to life and property. One's obligation to fulfill duties attached to anything other than perfect rights is seems strictly voluntary.

The translation of the political vision of anti-perfectionism to the economic social contract has at least two important facets. First, anti-perfectionism is ideologically extended to a free market, *laissez-faire*, economic system, unfettered by strict government oversight. Secondly, large economic institutions make the same decisions about imperfect rights and associated duties as other state citizens, even though the ramifications of their decisions frequently affect more people.

The latitude in the liberal economic position regarding rights and associated duties that are to be fulfilled, combined with individual free

choice, and the anti-perfectionist role of the state leads to several conclusions. The first is that organizations and individuals view each other as means and not ends. The individual pursues his self-interests by means of the organization, and the organization pursues its self-interest by means of employee labor. The second conclusion is that when one of the parties no longer is instrumental in achieving those ends, there is no particular right that reflects a duty to consider that party's concerns. In other words, the relationship can be severed at-will, without consideration for the concerns of, or the consequences to, other parties.

Freidman's free market -- including the labor market -- apparently decides justice, allocates scarce resources proportional to social needs, and reduces the influence of government in citizens' lives:

...The role of the market ... is that it permits unanimity without conformity; that is, a system of effectively proportional representation ... the wider the range of activities covered by the market the fewer are the issues on which explicitly political decisions are required and hence on which it is necessary to achieve agreement (Freidman, 1962: 24).

Hence individual self-interest is, according to Freidman, fairly arbitrated in the market and has the additional advantages of avoiding duties to overarching social mandates that constrain choice, thus allowing for the free pursuit of self-interest. Again, under this conception, persons and organizations seem to agree to use each other as means to their ends, but will allow the market to dictate the nature of their ultimate relationship.

Duty to others and the communitarian political social contract.

Rousseau (1762/1947) opposes the concept that men and women have a duty only to their own projects and objectives. In a country that is truly free, he argues, the citizens participate together to enhance everyone's best interests. In other words, in a free country, all persons share in the burdens and rewards. Walzer (1983) affirms this position when he posits that men and women must share in socially necessary duties, as they share in politics and war, if they can ever hope to be citizens of a self-governing community.

Hegel (1925) too, presents an argument for the intrinsic role of duty. For Hegel, communal ties are embedded in individuals and are immutable. Duties are derivative of our human relationships within these communities and are made necessary by our moral ideals established within those communities. Prominent among these ideals, for example, is freedom, and insofar as freedom is an ideal of prominence it will become realized in the structure of the state (Taylor, 1979).

This position radically alters the role of the state in the lives of its members. In the communitarian vision individuals have duties to provide for fellow members of society, in particular by providing for the need for community and membership:

One of our needs is community itself ... The social contract is an agreement to reach decisions together about what goods are necessary to our communal life ... the signers owe one another more than mutual aid, they owe mutual provision (Walzer 1983: 65).

Walzer introduces the need for community, and the need to participate

in the decision making process about what that community will be. Selznick echoes these thoughts in an attempt to imagine how we might fulfill John Dewey's vision of an in-depth democracy affecting "all modes of human association" and creating "a life of free and enriching communion." To accomplish these ends, Selznick calls for an active and deliberative community that "... binds participation to public ends, creates obligations of duty and service and resumes a framework within which dialogue and compromise may proceed" (Selznick, 1992: 523). The state, according to this view, is expected to intervene on behalf of groups and categories of persons.

The call by communitarians for a participative and deliberative community is mirrored in their view of the economic social contract. Donaldson (1982) describes an active and deliberative role for employees in the management of the corporation. Donaldson writes: "... Just as the rigid autocracy of princes and despots was forced to yield to democratic, participatory governments, so, it is said, the fixed structures of corporate authority must yield to new, employee-centered corporate structures" Donaldson (1982: 153). Donaldson places employee participation in a sample "Bill of Employee Rights" that also includes free speech, privacy, and due process.

Lodge, calling on the efficiencies gained through participative management, ties it to the increased economic competitiveness he has witnessed in his research:

"... relationships between those who manage and those who are managed are best determined by consensus, rather than adversarial contract. Consensual procedures are not necessarily a

substitute for the collective contract; rather, they are aimed at problems and issues which do not conveniently fit within the contract form. (Lodge, 1984: 220)

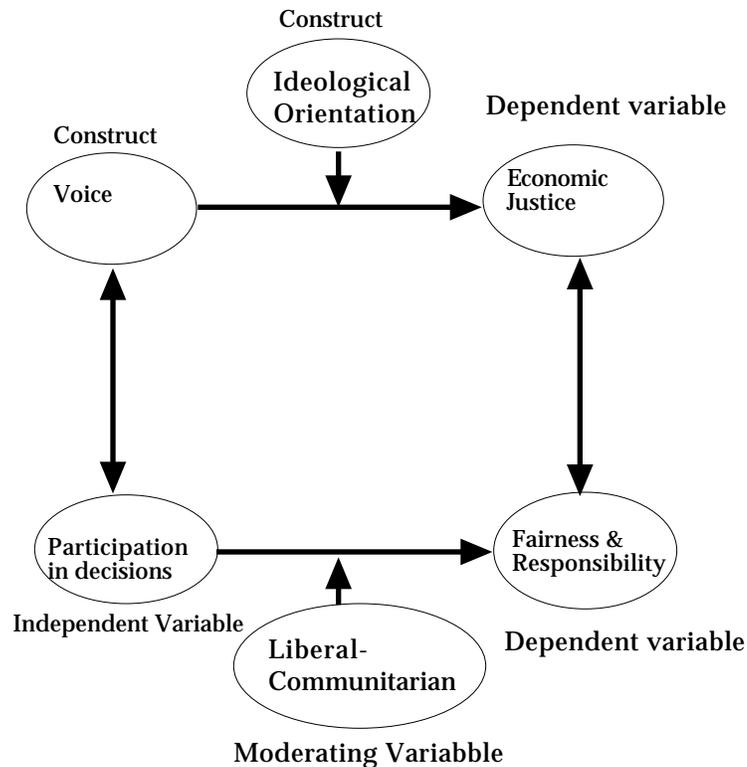
In sum, the communitarian economic contract extends responsibilities beyond the interests of the firm and beyond the best interests of stockholders alone, to other stakeholders in that community, particularly employees. According to the communitarian view of the economic social contract, persons and organizations agree to take each others ends into account.

Duty to others and voice. Authors recognize an emergence of concern for employee voice in the workplace (Cobb, Wooten and Folger, 1995). The manager's duty to facilitate voice, however, is a point of contention. Because communitarians believe in the collective's role in self-determination those most affected by policies would be expected to participate in the formulation of those policies. The liberal, however, tends toward protecting rights of ownership and profit, seeing this duty as more compelling than duties requiring employee voice. Specifically, liberals will not consider denial of employee voice restructuring decisions to be unfair. This reasoning leads us to our fourth proposition: *In the context of organizational restructuring , employee voice will be related to ideologically-based judgments of economic justice.* (See Figure 3.4.)

Proposition 4: In the context of restructuring

employee voice⁷ will be related to judgments of fairness and responsibility.

Figure 3.4. Constructs and variables for hypothesizing the role of voice in economic justice.



Citizenship

In the liberal-communitarian debate, the term “citizenship” reflects several closely related but distinct meanings. Citizenship may simply mean the feelings for others that inspire our actions on their behalf; perhaps compassion, empathy, and/or caring (Gauthier, 1986). Citizenship may

⁷ Employee voice is operationalized in the empirical model with the variable participation in the decision making process. This is defined in the second part of this chapter.

encompass the sum of what we owe one another as co-citizens of the state (Walzer, 1983). It can refer to one's obligations to maintain the identity of the community and the willingness to assist the collective in addressing mutual concerns (Solomon, 1992). These definitions share the idea that citizens have -- in some way -- obligations to their community of co-citizens. As we will see, liberals and communitarians do not have a common understanding of what these obligations are, or how they should be carried out.

The liberal is in a curious position relative to citizenship. In the liberal social fabric, individual rights are inviolable. By virtue of this position, however, the very fabric which endeavors to hold the society together is torn when persons make their inviolable claim to conduct their lives as they wish, without regard for the interests of others. Liberalism "... places the individual at the center of moral and political theory and views the state as properly limited in a circumstance of conflict with individual rights" (Beauchamp and Bowie, 1992: 600). As Taylor (1992) maintains, if we are justified in asserting our rights as individuals we undermine the very society which supports those rights.

This tension is detectable at the well spring of the liberal tradition. According to Locke, this tension is negotiated through the rule of law:

No man in civil society can be exempted from the laws of it: for if any man may do what he thinks fit, and there be no appeal on earth, for redress or security against the harm he shall do ... I ask whether he not be perfectly still in the state of nature (Locke, 1690/1980: 51)

Our role as citizens in the state that we have freely consented to join,

according to Locke, is to “ ... give up to be regulated by the laws made by society ... as the good, prosperity and safety of society shall require” (Locke, 1690/1980: 66-68). On the other hand, Locke also asserts the inviolability of individual rights:

...freedom of men under government is to have a standing rule to live by ... [and] a liberty to follow my own will in all things, where the rule prescribes not; and not to be subject to the inconstant, uncertain, unknown, arbitrary will of another man: as freedom of nature is to be under no other restraint but the law of nature (Locke, 1690/1980: 17).

Thus, liberals owe no special allegiance to co-citizens (beyond the law) except those which they freely choose to accept as long as they don't abridge the rights of others. Liberals are bound only to obey the laws that serve to protect one another's rights. In short, beyond the law and respect for the rights of others, the liberal accepts only self-imposed duties of citizenship.

The communitarian position regarding citizenship aligns the interests of the state with the interests of its citizens. The communitarian will agree that certain conventions, traditions, and loyalties play a significant role in sustaining and promoting accepted virtues and should guide one's role as a citizen. As such, it becomes the duty of citizens to support these culturally unique characteristics (Beauchamp and Bowie, 1993; Miller, 1992). Consequently, being a member of a community fixes certain obligations of citizenship.

Citizenship and the liberal political and economic social contract.

Gauthier claims that in the liberal tradition of the free pursuit of self-interest

individuals should not be compelled to act in the functions of citizenship unless there is some compelling net-benefit for doing so: “The [liberal] contractarian insists that a society could not command the willing allegiance of a rational person if, without appealing to her feelings for others, it afforded her no expectation of net benefit” (Gauthier, 1986: 11).

Responsibilities of liberals to co-citizens are subject to a test of whether fulfilling these civic duties will in some way increase their chances of achieving their own self-interests. Citizenship requirements are fulfilled when one pursues his or her self-interest.

Liberalism enjoys a long tradition in capitalist economies. This tradition is frequently traced to Adam Smith (1775/1966). Smith is credited with describing how to harness individual self-interest through the division of labor and free economic markets. According to liberalism it is the economic market that resolves the tension between the individual and the state. In pursuing their own, freely chosen, self-interests, persons in a free market minimize state involvement and sustain the structural balance of society: “For Smith virtue is not the absence of self-interest; rather it is the restraint and moderation of it into proper channels” (Donaldson, 1982: 63).

Liberals argue that organizations, being legally and morally single individuals, assume obligations that parallel those of individuals (Freidman, 1979). Organizations have no obligations to the community that do not provide a net benefit to themselves. For Freidman (1970), the discussion regarding the social responsibility of business is a spurious argument advanced by those “socialists” who have been, and continue to be, unable to

convince the majority that their social welfare causes are meritorious and should be supported by public tax dollars. Freidman asserts that individuals, not “artificial individuals” (i.e. businesses), make individual decisions on which welfare initiatives to support. The objective of the corporation is to maximize returns to investors. Moreover, initiatives toward community welfare are not appropriate management prerogatives:

What does it mean to say that the corporate executive has a social responsibility? ... it must mean that he is to act in some way that is not in the interest of his employers ... For example, he is to hire the hard-core unemployed instead of better qualified workmen to contribute to the social objective of reducing poverty ... [This is] spending someone else's' money [when stakeholders] could separately spend their own on a particular action if they so wished ... (Freidman, 1970: 57)

Citizenship and the communitarian political and economic social contract. The communitarian concepts of citizenship are traceable to Rousseau's notion of the *corvee* , the idea that each of us must contribute labor to socially necessary work. In fact, Rousseau maintains: “The better a state is constituted, the more public business takes precedence over private business in the minds of the citizens” (Rousseau, 1762/1987: 198). In Rousseau's view, all persons contribute to the sustenance of the political body. The concept of communitarian citizenship involves taking on responsibilities that extend beyond self-interest. It is not simply rights that compel citizens to act behalf of their communities, it is their mutual welfare. Consistent with Rousseau's position, Miller writes:

Citizenship here must mean ... a social role which

is partly, but not wholly, defined in terms of rights ... the whole thrust of citizenship is the obligation to provide for the welfare of fellow citizens (Miller, 1992: 94).

Also at odds with the liberal position is the communitarian emphasis on how deeply obligations of citizenship are felt. While the liberal position emphasizes that persons could choose to support certain humanitarian and civic actions, individuals are by no means obligated to engage in such actions. Not so for the communitarian:

What sort of communal provision is appropriate in a society like our own? ... I think, that citizens in modern industrial society owe a great deal to one another ... [E]very political community must attend to the needs of its members ... goods must be distributed in proportion to need, and that distribution must recognize and uphold the underlying equality of membership (Walzer, 1983: 84).

In short, the requirements of citizenship are fulfilled when community interests are pursued.

Rousseau's branch of the contractarian tradition demands much of its members, and in return delivers to citizens a security founded in membership that is not apparent in the Lockean contract. This is reflected in the communitarian's view of corporate citizenship -- the concept that institutions and organizations are citizens of the community (Beauchamp and Bowie, 1993). If corporations are citizens, like other individual citizens, then they are embedded and integral parts of the community in which they reside and operate (Taylor, 1993). Consequently, corporations incur the

responsibilities of citizenship and affirmative obligations to do good (Beauchamp and Bowie, 1993).

Solomon echoes this view:

Citizenship is first of all a relationship of shared identity and mutual concern ... I will argue that corporations are citizens ... in which the relationship of shared identity and mutual concern with the larger society is central ... it has duties and responsibilities ... (Solomon, 1992: 83-84)

Lichtenberg (1984) articulates a fundamental argument supporting the notion of corporate citizenship and social responsibility -- particularly toward employees. She asserts that as a company becomes an established member of a community over generations, it acquires a role within that community and assumes responsibilities commensurate with that role. These responsibilities will include considering the impact of withdrawing from that community.

She concludes that:

Companies should not be permitted to make decisions about plant closing and relocation unilaterally. This is supported by a variety of moral considerations having to do with fairness, self-respect, autonomy and the interests of workers in general... [and communities] over the long run (Lichtenberg, 1993: 644).

Clearly communitarians expect organizations to consider the interests of the community when making decisions that may influence the well-being of that community.

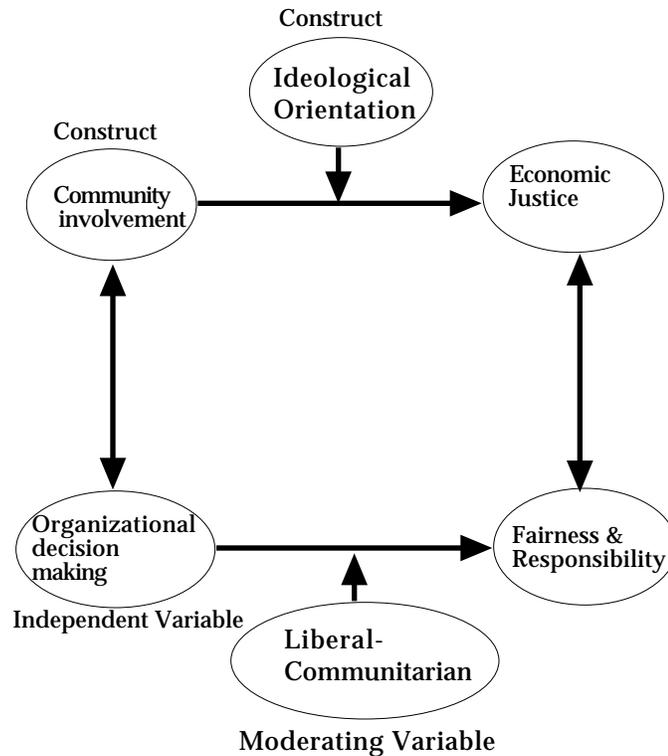
Citizenship and organizational citizenship. The liberal and communitarian differences are especially stark in the dimension of

citizenship. In sum, the liberal view of corporate autonomy -- as in individual autonomy -- precludes concern for the economic status of the community, favoring instead the economic interests of owners. For liberals, there is no organizational requirement to consider the economic impact of decisions on the local community. In the communitarian position, the corporation assumes, as does the citizen, certain responsibilities that serve the best interests of the community, not simply property owners. For communitarians, the interests of the local community must be considered when making organizational decisions. This the fifth proposition: *In the context of organizational restructuring, ideologically-based judgments of economic justice will be related to organizational decision making* (See Figure 3.5.)

Proposition 5: In the context of organizational restructuring, organizational decision making⁸ will be related to ideologically-based judgments of economic justice

⁸ Organizational decision making is operationalized in the empirical model with the variable community involvement. This is defined in part two of this chapter.

Figure 3.5: Constructs and variables for hypothesizing the role of community involvement in economic justice.



Alienation: Trust, Commitment and Citizenship

Shepard (1974) defines alienation as the social-psychological separation from a referent other. This definition offers a broad sociological vantage point that is commensurate with other constructs in our analysis, thus allowing a link to varied constructs discussed above as possible antecedents to alienation.

The construct of job security, for example, would logically precede feelings of alienation. Under conditions of lack of job security one would not expect a person to maintain close social-psychological ties to the organization;

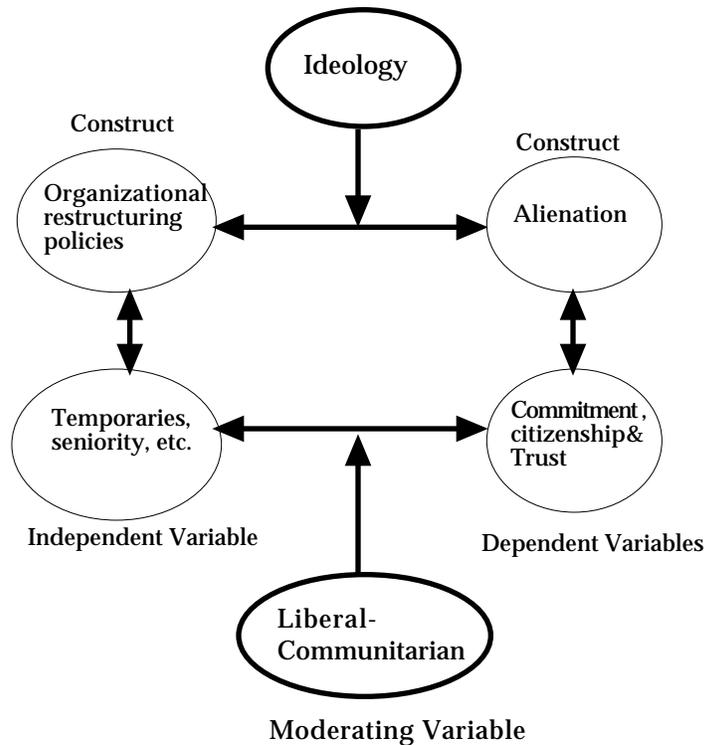
They would likely seek a more stable job situation, perhaps with a different organization. The same reasoning applies to employability. If the organization makes no investments in the employee that tend to support long-run employment, then it is incumbent on the employee to do it for herself -- a responsibility that might tend to distance the employee from the organization. Similarly, when an employee has no voice in decisions that affect her welfare, we would expect that psychological and social isolation would likely ensue.

Thus, we expect alienation to be related to managerial policies regarding these constructs, and to be a consequence of them. This leads to our **sixth proposition**: *managerial restructuring policies directly effect indicators of alienation , and these indicators are moderated by ideological orientation.* (See figure 3.6.)

Proposition 6. Alienation⁹ is related to managerial restructuring policies.

⁹ Alienation is operationalized in the empirical model with indicators of commitment and organizational citizenship behavior. These are defined in part two of this chapter.

Figure 3.6: Constructs and variables for the relationship between organizational policy and alienation.



THE EMPIRICAL MODEL

This section presents the empirical model. The constructs identified in part one are operationalized in this section. Two dependent variables -- fairness and corporate social responsibility -- are also defined. The influence of the moderating variable of ideological orientation is restated in the context of the presentation of hypotheses regarding the relationships between the independent and dependent variables.

Although the primary emphasis of this study examines the moderating role of ideological orientation, direct effects of the various independent

variables are also interesting. To test whether ideology moderates the relationship between a human resource policy during downsizing and -- for example-- judgments of fairness, the product term must significantly explain variance over and above the direct effects of both elements in the product term. In this case the direct effects of a policy about employee voice significantly explains some variance in a judgment of fairness. In addition, the direct effect of one's ideological orientation also is expected to explain some variance in judgments of fairness. The combination of these two variables must also significantly contribute to the explanation of variance in judgments of fairness for moderating effects to be present. Because this is an exploratory study, however, I am also interested in the direct effects of ideological orientation themselves. One's ideological orientation alone -- controlling for the presence of various policy variables -- would reasonably be expected to explain variance in judgments of fairness and perceptions of trust, commitment and citizenship. That is to say that a person of communitarian persuasion would find the subject of downsizing less fair in general than a person of individualistic or liberal orientation. Significant direct effects indicate that these orientations matter whether or not empirical cues are present in the judgment context.

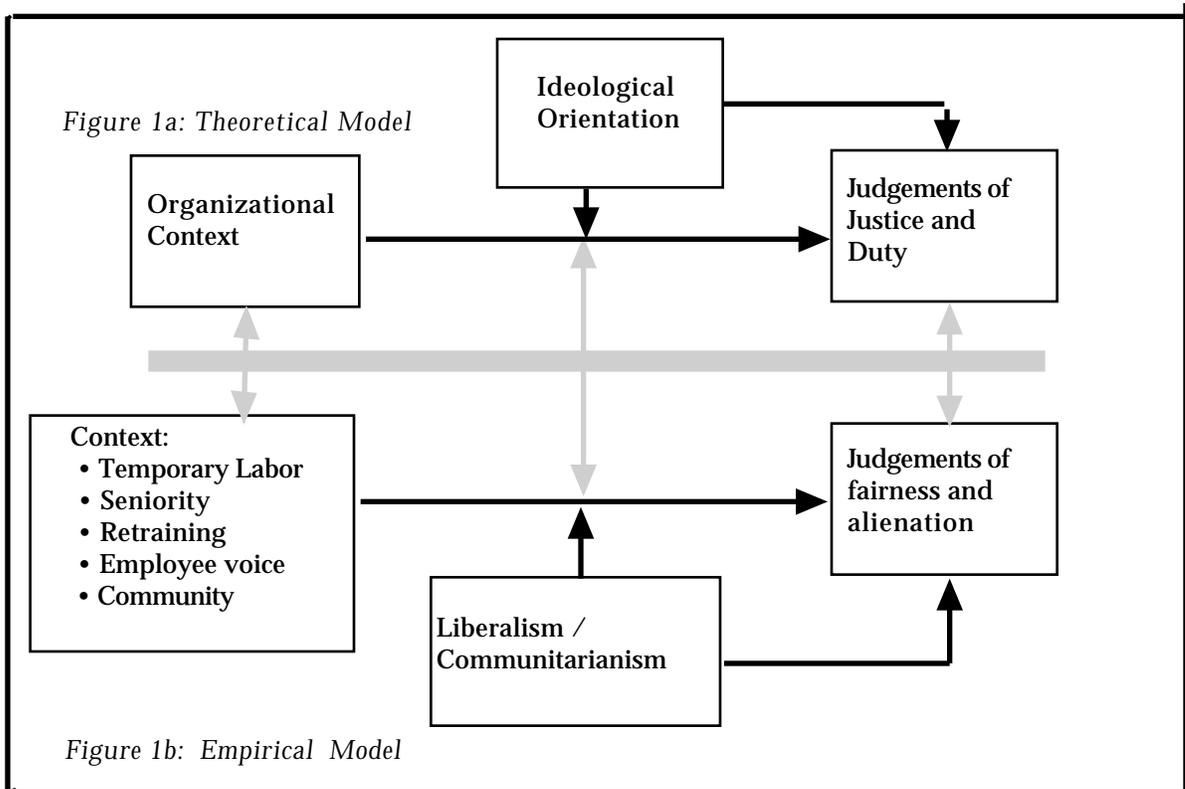
Figure 3.7 displays graphically the empirical model. This empirical model is developed to test eleven hypotheses addressing our primary research questions: 1) Are restructuring policies predictive of employee perceptions of organizational fairness, trust in management, organizational commitment and organizational citizenship behavior; (2) Are employee

perceptions of organizational fairness , trust in management, organizational commitment and organizational citizenship behavior influenced by ideological orientation?

In Figure 3.7 the independent variables are in the left hand box. These are management policies regarding the replacement of full-time permanent employees with temporary employees, the role of seniority in a layoff decision, the role of retraining for alternate employment in a layoff decision, the actions taken with regard to participation of the workforce in a layoff decision, and involvement of the community in a layoff decision making process. Two of the dependent variables, in the right hand box in Figure 3.7, are judgments of fairness and judgments of social responsibility. We predict that those of differing ideological orientation (communitarian or liberal) will respond differently to issues of fairness and responsibility triggered by these five management policies in restructuring. The third variable is alienation. With this dependent variable we ask whether managerial restructuring policies in some way create a psychological or emotional separation from the organization describes in the vignette.

Consequently, the middle box contains ideological orientation, a moderating variable in the relationship between our independent and dependent variables. Finally, there are three demographic variables that are possible moderating variables: age, gender, and socioeconomic status of the subjects. Although we make no hypotheses regarding the variables, there are reasons explained below why it will be interesting to conduct analysis on their separate and/or joint influences.

Figure 3.7. Theoretical and Empirical Models



Dependent Variables

Fairness. Perceptions of fairness has frequently been used as an independent variable when assessing the impact of a breach of procedural or distributive justice on employee behaviors, attitudes, or intentions. Procedural justice refers to perceptions of fairness used to reach a decision or action, and distributive justice is the perception of fairness in the distribution of outcomes of that decision (Folger, 1986; Beis, 1987; Cobb, Folger and Wooten, 1995).

In the context of organizational restructuring, fairness has been used by Rousseau and her colleagues as a dependent variable (Rousseau and Aquino, 1993; Rousseau and Anton, 1988). In her research, Rousseau has declared that judgments of fairness are “based on contribution and outcomes received” (Rousseau and Anton, 1988: 274). This follows Adams (1965) formulation of equity theory, an approach which accepts people as “rational calculators,” weighing the inputs and outputs of their efforts relative to others.

Although the research in this dissertation also uses fairness as a dependent variable, it is defined somewhat differently. Definitions of fairness at the social level of analysis can take on varied and sometime conflicting meanings (Tetlock and Mitchell, 1993). These definitions range from centering entirely on individual rights to the good of the collective. For the purposes of this dissertation fairness is defined as a person’s judgment of economic justice relative to organizational decisions: specifically managerial policies regarding organizational restructuring.

Trust, Commitment and Citizenship. Indicators of alienation have

not previously been investigated within the context of organizational restructuring. This gap in the current literature is interesting on two accounts. First, I argue that alienation in the workforce is precisely the response that will prove to be most negative in the employer-employee relationship. Alienation, we posit, influences one's commitment to the organization as a whole and reduces the likelihood that a person would make the extra efforts to perform the behaviors beneficial to the company; alienation also reduces trust in management. Second, alienation is a broader, more general construct of a person's psychological and emotional reaction to external events. For this reason it is a sensitive reflector of other possible attitudes, intentions or behaviors. Measures of possible commitment, trust and organizational citizenship reflect the general alienation of the subject.

Independent Variables

Temporary employment. Job security as access to stable work in order to earn a livelihood. In the restructuring environment, the use of contingent employees is dramatically increasing. For this reason, we selected temporary employment as a proxy for job security. Temporary employees may be part-time or contractual employees, whose relationship to the corporation can be severed at any moment by the employer. This relationship reflects a lack of job security.

Seniority. The construct of commitment reflects the state of being bound to a course of action. This research is concerned with obligations between an employer and an employee. The agreement seems to take the following form: an employee agrees to remain with an employer and act in

that employers' best interests and, in return, the employer agrees to provide security, growth, and a livelihood for employees. The longer this reciprocal relationship has been in force, the greater the bond between the parties.

To operationalize this construct we selected the variable seniority. Seniority has been previously investigated in research regarding judgments of fairness in layoff decisions. Rousseau and Aquino (1993) found that years of service with an organization had significant influence on a person's judgments of fairness in restructuring situations.

Retraining. In their 1993 study, Rousseau and Aquino examined the effects of employability on perceptions of fairness and obligation to retain employees during a layoff. Rousseau defined employability as the likelihood the laid-off person was likely to locate alternative employment. She found no relationship between employability and fairness or obligation to retain the employee. Rousseau and Aquino, however, have confounded a number of factors, including economic conditions, individual skill levels, and industry structure. For these reasons, we have defined employability as the proactive efforts the organization has taken to retrain the employee targeted for layoff so that he or she may assume a job in a position within the same company.

Participation. Rousseau and Anton (1993) and Tyler (1990) also examined the role of participation in the layoff decision making process. They regarded this as an indicator of procedural justice. This variable did emerge as significant in judgments of fairness. We operationalize the construct of voice in terms of participation of those affected by the layoff in the restructuring decisions.

Community involvement. We operationalize the construct of organizational decision making through a variable we call community involvement. This variable reflects whether or not community officials are involved in the restructuring decision making.

HYPOTHESES

The following forty-four hypotheses are designed to answer our primary research questions. The research design and methodology for conducting the statistical analysis that test these hypotheses are presented in Chapter four.

Liberal-Communitarian Ideological Orientation and Judgments

Chapter five describes the index developed to measure one's ideological orientation. Our theoretical arguments maintain that this orientation will both directly and indirectly influence judgments of economic justice. I operationalize judgments of economic justice with four dimensions: fairness, trust, commitment and citizenship. These dependent variables should be directly influenced by ideological orientation and indirectly influenced by ideological orientation through the five policies of using temporary labor, considering seniority in the layoff process, retraining employees targeted for dismissal with new skills in order for them to assume current vacancies in other parts of the company, considering employee's views in the decision making process, and coordinating with the community when making restructuring decisions.

Hypothesis H₁: Ideological orientation will influence judgments of unfairness.

Hypothesis H_{1a}: Ideological orientation influence judgments of

distrust.

Hypothesis H_{1b}: Ideological orientation will influence expectations of organizational commitment.

Hypothesis H_{1c}: Ideological orientation will influence expectations of organizational citizenship.

Hypothesis H₂: liberal-communitarian ideological orientation will interact with the use of temporary labor to negatively moderate judgments of fairness.

Hypothesis H_{2a}: liberal-communitarian ideological orientation will interact with the use of temporary labor to negatively moderate judgments of trust.

Hypothesis H_{2b}: liberal-communitarian ideological orientation will interact with the use of temporary labor to negatively moderate judgments of commitment.

Hypothesis H_{2c}: liberal-communitarian ideological orientation will interact with the use of temporary labor to negatively moderate judgments of citizenship.

Hypothesis H₃: Ideological orientation will interact with the use of tenure to positively moderate judgments of fairness.

Hypothesis H_{3a}: Ideological orientation will interact with the use of tenure to positively moderate judgments of trust.

Hypothesis H_{3b}: Ideological orientation will interact with the use of tenure to positively moderate judgments of commitment.

Hypothesis H_{3c}: Ideological orientation will interact with the use of tenure to positively moderate judgments of citizenship.

Hypothesis H₄: The use of retraining will interact with ideological orientation to positively moderate judgments of fairness.

Hypothesis H_{4a}: The use of retraining will interact with ideological orientation to positively moderate judgments of trust.

Hypothesis H_{4b}: The use of retraining will interact with ideological orientation to positively moderate judgments of commitment.

Hypothesis H_{4c}: The use of retraining will interact with ideological orientation to positively moderate judgments of citizenship.

Hypothesis H₅: Facilitating employee voice will interact with ideological orientation to positively moderate judgments of fairness.

Hypothesis H_{5a}: Facilitating employee voice will interact with ideological orientation to positively moderate judgments of trust.

Hypothesis H_{5b}: Facilitating employee voice will interact with ideological orientation to positively moderate judgments of organizational commitment.

Hypothesis H_{5c}: Facilitating employee voice will interact with ideological orientation to positively moderate judgments of organizational citizenship.

Hypothesis H₆ Coordinating with the community will interact with ideological orientation to moderate judgments of fairness.

Hypothesis H_{6a}: Coordinating with the community will interact with ideological orientation to moderate judgments of trust.

Hypothesis H_{6b}: Coordinating with the community will interact with ideological orientation to moderate judgments of organizational commitment.

Hypothesis H_{6c}: Coordinating with the community will interact with ideological orientation to moderate judgments of organizational citizenship.

Temporary Employment, Fairness, Trust, Commitment and Citizenship

When a company replaces full-time employees with temporary workers substantially shift the risks of market fluctuation away from the

owners and toward temporary workers. The policy of retaining contingent labor redefines labor inputs from fixed operational overhead, to variable cost inputs. This “commodification” of the workforce reduces job security. Liberals would accept this policy as necessary in a competitive work environment and, therefore, be more tolerant of these managerial decisions because they believe that each person is responsible for his or her economic outcomes. The liberal will tolerate instability in the belief that individuals and organizations have a right to self-determination.

The communitarian, on the other hand, believes each employee is a vested member of the organization. Stable employment is expected in the belief that access to income producing work is a social right. Work, the communitarian argues, is a source of economic viability and of affirmation of self-worth, self-respect and self esteem. This analysis leads to the first proposition: In the context of organizational restructuring job security will be related to ideologically- based judgments of economic justice. This proposition was tested with the following hypotheses.

Hypothesis 7a. H₁: The use of temporary labor will directly and positively influence judgments of unfairness.

Hypothesis 7b. H₃: The use of temporary employees to replace permanent full-time employees will be significantly and positively related to judgments of distrust.

Hypothesis 7c. H₅: The use of temporary labor will significantly and negatively effect organizational commitment.

Hypothesis 7d. H₇: The use of temporary labor will significantly and negatively influence organizational citizenship .

Seniority, Fairness and Trust, Commitment and Citizenship.

For the liberal, self-identity is tied to individual aims, not to the organization. I do not expect this liberal position to change as a consequence of seniority. When liberals believe that their employee relationship no longer meets the requirements of their exchange relationship, they feel at liberty to end it. On the other hand, communitarians will see claims for consideration for long-term employees to receive increased consideration for exemption from layoff as legitimate. When an employee works the best years of their life for a company, depreciates him or herself at a particular company, and forgoes moving to other opportunities, that employee, the communitarian will claim, is entitled to greater consideration. A person's identity, the communitarian will claim, is in part, constituted by this long-term work role within the organization. In fact, we argue that the longer the relationship lasts the more the communitarian will find the relationship part of that person's identity. This reasoning leads to the second proposition: in the context of organizational restructuring, commitment is related to ideologically-based judgments of economic justice. The following hypotheses test this proposition:

Hypothesis 8a. The use of seniority will significantly and positively influence judgments of fairness.

Hypothesis 8b. The use of seniority will significantly and positively influence judgments of trust.

Hypotheses 8c. The use of seniority will significantly and positively influence judgments of organizational commitment.

Hypothesis 8d. The use of seniority will significantly and

positively influence organizational citizenship.

Retraining, Fairness, Trust, Commitment and Citizenship

Whether a company attempts to retrain persons in order to keep them employable at that company is expected to influence judgments of fairness and social responsibility. For the liberal, a person's self-respect is derivative of economic success. The liberal will assert that organizations are not responsible for the maintenance of self-respect; organizations are not responsible for any negative effects a layoff may have on employee's self-respect. The communitarian, however, sees self-respect as derivative of membership in the organization. As a result, claims the communitarian, the organization shares in the responsibility to maintain an employee's self-respect during restructuring. This analysis leads to the third proposition: in the context of organizational restructuring, self-respect will be related to ideologically-based judgments of economic justice. The following hypotheses test this proposition:

Hypothesis 9a. The use of retraining will significantly and positively influence fairness.

Hypothesis 9b. The use of retraining will significantly and positively influence trust.

Hypothesis 9c. The use of retraining will significantly and positively influence organizational commitment.

Hypothesis 9d. The use of retraining will significantly and positively influence organizational citizenship.

Participation, Fairness, Trust, Commitment and Citizenship

Participation by employees in the layoff decisions has been previously investigated and found significant (Rousseau 1993). Participation is deemed important from a procedural-justice point of view in that it allows employees to gain some control over their lives and outcomes. Liberals are expected to view the relationship with the organization to be mutually instrumental. In other words, liberals and organizations agree to use each other as means to their respective ends. As a consequence, neither organizations nor employees will see a need for employees to participate in the layoff decisions.

Communitarians, however, see the need for persons and organizations to take each other's interests into account. As a result the communitarian will argue that, in order to make a just decision, employee participation in these decisions is necessary. Thus, the fourth proposition: in the context of restructuring employee voice will be related to judgments of fairness and responsibility. We test this proposition with the following hypotheses:

Hypothesis 10a. Facilitating employee voice will significantly and positively influence judgments of fairness.

Hypothesis 10b. Facilitating employee voice will significantly and positively influence judgments of trust.

Hypothesis 10c. Facilitating employee voice will significantly and positively influence organizational commitment.

Hypothesis 10d. Facilitating employee voice will significantly and positively influence organizational citizenship.

Community Involvement, Fairness, Trust, Commitment and Citizenship

The variable of community involvement may be important from several standpoints. Companies that are long-time members of the community help to create an interdependence between that community and the company. Relocating or shutting down a plant or division of a company may have severe economic ramifications for a community. However, liberals posit that organizations have no obligations to the community that do not, in some way, provide a net benefit to the organizations. As a result, there is no requirement for organizations to consider the economic effects of the restructuring decisions on the local community. Communitarians, on the other hand, will argue that organizations, as members of the social fabric, must take into account the effects of their restructuring decisions on the local community. During restructuring deliberations this includes involving local community officials. Thus, our fifth proposition: in the context of organizational restructuring, organizational decision making will be related to ideologically-based judgments of economic justice. Thus, we submit the following hypotheses:

Hypothesis 11a. Coordinating with the community will significantly and positively influence judgments of fairness.

Hypothesis 11b. Coordinating with the community will significantly and positively influence judgments of trust.

Hypothesis 11c. Coordinating with the community will significantly and positively influence judgments of commitment.

Hypothesis 11d. Coordinating with the community will significantly and positively influence judgments of organizational citizenship.

Additional Possible Moderating Variables

Macro level phenomenon such as ideology may be attributable to many possible variables, including demographic factors. Several of the more influential variables in sociological research have been age, gender, and social class. Because there is no empirical research regarding the possible interactions of these demographic variables with ideological orientation, judgments of fairness and corporate social responsibility in restructuring, there is no prior basis on which to hypothesize their effects. In order not to ignore the possible effects of these variables, however, conducted an exploratory analysis. Our strategy examined possible correlations between the demographic variables and the independent variables, as well as correlations between the demographic variables and ideological orientation. Any variables that indicated a significant correlation are controlled for.

SUMMARY

This chapter has presented the theoretical and empirical models for this dissertation. The theoretical model identified five dimensions of ideology that emerge from the philosophical literature on social political contracts. These dimensions were then related to organizational policies that capture positions that should be viewed differently by persons of communitarian and liberal orientation.

In part two of this chapter we linked the theoretical constructs with specific variables we believe represent those constructs. In addition, I

explained that fairness and social responsibility are, we believe, reflective of economic justice in a restructuring context. We then linked the dependent variables with the derived independent variables to construct twenty hypotheses. The next chapter describes the research design and methodology we have selected to test these hypotheses.

CHAPTER 4

RESEARCH DESIGN AND METHODS

DESIGN

An experimental research design employing Social Judgment Theory is applied in this study. Social judgment theory (SJT) is a theoretical and methodological approach to analyzing human judgment in social contexts. The most pervasive form of this theory in management research is “judgment analysis,” sometimes referred to as “policy capturing.”

According to Stewart (1988) SJT externalizes judgment policies by using statistical methods to derive algebraic models of the judgment process. The research objective of such an approach is to describe quantitatively the relationship between a judgment outcome and the independent variables used to make that judgment. In this study I am interested in how the independent variables of tenure, retraining, participation, community involvement, and the use of temporary employees influence the dependent variables of judgments of fairness, trust, commitment and citizenship. I am also interested in how ideological orientation directly effects these judgments and moderates the above relationships. As briefly discussed in Chapter 3, direct effects indicate that portion of the variance in the focal judgment that ideological orientation alone accounts for, whereas, indirect effects are those that emerge as patterns in variables interact to explain significantly greater amounts of variance in the dependent variable.

The SJT approach is also useful in improving management practice on several levels. First, and specifically appropriate for this study, SJT can be used to assess how a person evaluates certain factors which in turn can be used to capture an inexplicit policy. This captured policy can then be used to construct a formal policy if one does not exist. Additional advantages, but not directly applicable to this study, are as follows: If a policy does exist, SJT can be used to determine whether individuals' judgments are consistent with that policy. Third, SJT results can be used as a means of self-reflection for the individual, to determine whether he or she believes the correct issues are considered in a moral decision and whether these issues are weighted appropriately.

This approach has been used in hundreds of studies in a variety of research applications including expert testimony (Stewart, 1988; Schwartz and Goodman, 1992), pay allocation decisions (Deshpande and Schoderbeck, 1993), performance judgments (Hobson, Mendel, Gibson and Frederick, 1982), work value fit decisions (Judge and Bretz, 1992), analyzing interviews in selection decisions (Dougherty, 1986), assessment of job alternatives (Monahan and Muchinsky, 1985). Recently, Hammond, Harvey and Hastie (1992) recommended more extensive use judgment analysis in applied organizational research.

An empirical caveat for using SJT lies in its assumptions of linearity. That is, it assumes there is a linear relationship between the independent variables and the dependent variables. Interactions among variables used to assess judgment outcomes are not uncommon. Consequently, tests of

intercorrelations among independent variables and techniques for mitigating the impact of intercorrelations have been developed (Stewart, 1988).

Of particular interest to this study is the work of Denise Rousseau and her collaborators (Rousseau & Aquino, 1993; Rousseau & Anton, 1991; Rousseau & Anton 1988). These studies use SJT to assess perceptions of fairness and obligations to retain employees in termination decisions by manipulating variables describing employee characteristics and employer approaches. In her research approach Rousseau applies SJT to accomplish three things: to obtain a statistically derived relative weighting of factors (sometimes called cues) that are judged theoretically important to assessing fairness in job termination contexts; to determine whether these statistically derived weightings are the same as the levels of importance that are self-reported by the subjects; and to evaluate the predictability of the judgment based on the theoretical factors.

The approach we propose builds upon Rousseau's work in several ways. First, the judgments are modified to reflect the theoretical concerns expressed in the preceding sections. That is, indicators of commitment, trust and citizenship, as well as judgments of fairness are rendered by the subject. Second, two new cues (independent variables) are added to the calculus that reflect those theoretical constructs thought to be most important in assessing changes in the relationship between employers and employees: the use of temporary employees and the impact of restructuring on local communities. Third, we argue that ideological orientation moderates the relationship between judgments of fairness, indicators of commitment, trust and

citizenship and each of the independent variables. Fourth, the vignettes are written in such a way as to solicit judgments of organizational policy in general, rather than organizational actions toward a specific employee. This last difference is most significant as it will solicit a normative evaluation of the organization's policies, rather than a relative evaluation of a specific case of a terminated employee. Whereas the latter should provide the researcher with insight into the psychological contract, the former addresses our interests in investigating possible normative social contracts. The following section details our approach.

PROCEDURES AND METHOD

Procedures

The data used in this analysis were collected over a period of seven and one half months. Subject data was gathered from three locations, and to some extent, data analysis is applied separately for each of these sub-samples. The first site was a large research university located in a rural region of the mid-Atlantic United States. The second site was a branch campus of the same university located in a large metropolitan region 250 miles north of the main campus. The third site was a large utility company in the mid-Atlantic region. This company was selected in part because its Director of Human Resources indicated a willingness to participate and in part because it was undergoing restructuring.

University subjects were requested to complete a survey during class time and offered a chance at a lottery prize of \$50. The survey consisted of 12

demographic questions, a 20-item scale to measure liberal-communitarian orientation and eight downsizing scenarios. It took approximately 25 minutes to complete this survey. Appendix B contains the complete survey.

The same survey was administered at the restructuring organization. The respondents, however, were not offered a lottery prize. The survey was sent out under two cover letters. The first was from a contact within the company urging the addressees to complete the survey and send it directly back to the investigator. A stamped and self-addressed envelope was provided for the subjects. The second cover letter was signed by an administrative official within the college of business. This letter described the nature of the study, the importance of the subject's response and how the data may be used in the future. In all cases, subjects were told that their responses would be held in strict confidence. The response rate from the company was 86 percent. We attribute this unusually high response rate to management support for the project and the relative importance of the project to these respondents.

Control Variables

For the reasons given in Chapter 3 we selected age, gender and current socioeconomic status as the demographic variables of interest in this study. Table 4.1 contains the results of an analysis for the effects of control variables. Those variables that show a significant statistical relationship to the dependent variable are included in the linear regression and tested for significance in the models presented below. If these variables continue to show significance in the regression equations, then they are maintained

through all models. If they do not demonstrate significance, they are dropped from further analysis.

Table 4.1. T statistics for demographic variables by dependent variable.

	Gender	Age	Class
Dependent Var.			
Unfairness	3.32††	-1.64 n.s.	-1.95 n.s.
Distrust	5.72†††	-2.93††	-3.11††
Low Commitment	5.81†††	1.79n.s.	-4.29†††
Low citizenship	4.43†††	-1.47n.s.	-5.10†††

† = p .05
 †† = p .01
 ††† = p .001

Site

The are several sites for this study. One site is a relatively large utility company (greater than 5000 employees) in southwest Virginia. This company was recently purchased by a larger parent company. As a result of being acquired the company undertook restructuring. Although a definite figure has not been published, managers agree that approximately 10 percent of the workers will lose their jobs.

The second site is a large mid-Atlantic research university. This site included both the main campus, which serves mostly full-time students in a rural setting, and a satellite location in a metropolitan area that serves mostly full-time working adults that participate part-time in graduate study.

Sample

Issues. When conducting sociological research -- in particular

normative ideological structures -- sample selection becomes a critical strategic element of the study. Arguments for and against the inclusion or exclusion of specific categories of individuals with certain life experiences are almost always compelling on the grounds that a relatively small sample can be easily skewed by over representation of a certain category. Consequently, it seems likely that developing a nationwide random sample of individuals that is more inclusive of diverse backgrounds is the more appropriate strategy. Unfortunately, it is also the most expensive approach in terms of time and other resources. In this study we attempted to capture as general an outlook as possible by including people with little work experience and virtually no personal exposure to restructuring (the full-time MBA sub sample), people with a lot of work experience but not too much exposure to restructuring (full time working, part time MBA sub sample) and people that have a lot of work experience and substantial personal exposure to restructuring.

Characteristics. The study was conducted with a total of 269 subjects. Using a table of non-central F distributions we calculate a power of .80 at the .05 level of confidence with this sample size and five treatment variables. Correlation coefficients and descriptive statistics on key variables are contained in Tables 4.2 and 4.3 respectively. One hundred and forty three, full-time MBA students completed the survey. This sub-sample reported having little or know work experience. Sixty-one part-time MBA students, holding full time jobs, also completed the survey. This sub-sample reported having average work experience of about 10 years. The third sub-sample was

composed of professional and management level employees at a utility company undergoing substantial organizational restructuring. This sub-sample consisted of 65 full-time employees with average work experience in excess of 14 years. These sub-samples represent gradations in the saliency of experience in organizational restructuring. For the non-working MBA students the saliency is assumed to be the lowest in the overall sample. For the full-time employed MBA students, the saliency would be expected to be somewhat higher. Saliency of the issues to the working professional in a restructuring environment is assumed to be quite high. As will be discussed in the last chapter, saliency of restructuring may make a difference in subjects' responses.

The female proportion of the overall sample was 27 percent. Twenty-four percent of the sample was employed in a company undergoing restructuring. While 3 percent reported they had lost their jobs to restructuring, 35 percent had friends or family members that had lost a job when organizations restructured. Over one-half of the sample was under the age of 25. As indicated by the correlation coefficients in Table 4.2, females and younger subjects were less likely to have worked for a company that had restructured. The ideological orientation of a person seemed to be strongly correlated with that person's age in such a way that the older a person was the more likely they would respond in more communitarian ways. Similarly, ideological orientation was also correlated with work experience -- those with more work experience were more likely to have more communitarian ideological orientations. Also whether he or she had worked in a company

that restructured correlated highly with ideological orientation -- indicating that those that had worked in a company that restructured were more likely to have more communitarian ideologies. Understandably, those with more

=====

**Insert Table 4.2
(Appendix D)**

=====

work experience were also more likely to have worked for a company that had downsized, to have family members or friends that lost their jobs to restructuring, or to have been laid-off themselves.

As Table 4.3 indicates, variations in demographic characteristics seems to make a difference on many of the dependent variables. This factor is explored further in the results section using linear regressions to evaluate the role of the key demographic characteristics of gender, age and class status.

Table 4.3: Analysis of variance on key demographic variables.

Variable	N	Median	Stdev	Unfair	Distrust	Fulfilment	Roles	Low OCB	Uncommit
Age	269	3	1.641	1.63	33.37††	8.77†††	1.81	2.93†	6.23†††
Class	269	9	2.497	1.54	16.24††	0.69	0.61	29.29††	32.70††
Exp. in rest.	269	0	0.4291	0.02	9.52††	3.28	0.4	26.08††	34.71††
Experienc	269	3	1.683	0.87	3.87††	9.37†††	2.64†	5.33†††	12.12††
Fired	269	2	0.9746	1.99	4.83††	0.37	0.24	1.96	27.47††
Full-time	269	0	0.4994	1.06	0.11	25.42††	2.58	0.07	25.39††
Gender	269	1	0.4436	7.487††	25.77††	2.65	6.48†	13.10††	21.53††
Others	269	1	0.2501	0.86	1.43	1.2	0.66	1.33	14.92††
Wking. in	269	0	0.4289	2.59	1.59	61.07††	3.68†	2.26	14.34††

† p .05
 †† p .01
 ††† p .00

Judgment of Interest

There are certain empirically observable policies organizations apply when restructuring their workforce. We ask subjects to read a series of vignettes containing these policies. The subjects are asked to make two judgments. The first is a judgment of fairness with respect to each vignette. The second are indicators of commitment, trust and citizenship. Table 4.4 contains descriptive statistics on these dependent variables.

Policy Cues

The stimuli contains five cues or factors. Each cue contains the variable used to operationalize the constructs of interest described in Chapter three. that are expected to be important in judgments of fairness about policies regarding restructuring the workforce. These are:

- (a) Policies toward the use of temporary employees.
- (b) Policies toward the consideration of seniority.
- (c) Policies toward the local community involvement.
- (d) Policies toward consideration of retraining.
- (e) Policies toward consideration of employees' participation.

There were two criteria for including or excluding cues from vignettes. The first criteria was whether the specific policy was observable in the environment. In this case each of the policy cues are reasonably represented in the observable environment during organizational restructuring or downsizing. The second criteria was the results from pretesting. If an observable policy did not influence the dependent variables in pretesting it was not included in the experiment.

Context

Vignette context sets the stage for each of the vignettes. It contains the variables the researcher wants to be sure are held constant in the subject's judgment. In this case the following contextual statement is provided

In an effort to reduce costs and increase profits Paladin has announced a substantial downsizing at their Long Field location. The downsizing will begin in two weeks. Paladin has operated at Wind Mountain since 1950 and over that time has become an important part of the economic community. A company spokesperson reported that the company is not going to use seniority in selecting those employees to keep on the payroll. The company's management will decide who will be retained based on production and profitability goals. The Director for Human Resources said that the company will make every effort to retrain employees to fill positions in other parts of the company. The company has no plans to recall or replace these employees in the near future. The company has formed employee chaired focus groups. These groups will report to management the employee's view of how best to conduct the downsizing. The community economic development council was surprised by the announcement and reports that the company is not responding to their requests to stagger the downsizing over a longer period of time. Staggering the downsizing is expected to allow time for workers and their families to plan for the transition.

This contextual statement contains the name and location of the company. These are altered across vignettes in case one particular name or location unwittingly triggers a response that affects one's judgments. The fact that the company is planning a substantial downsizing remains constant in all the vignettes. In addition, the fact that the company has been in the community for over ten years and is important to the community remains constant.

Cue values

The variables defined above are be assigned one of two values. That is, each factor has two levels. The variable values are as follows:

(a) Policy toward temporary employees:

The Company plans to replace full time permanent employees with temporary employees (recorded as 0).

or

The Company plans to recall employees to their full time permanent position if business conditions warrant it (recorded as 1).

(b) Policy toward seniority:

The Company has not considered employee seniority when making the decisions about who to lay off (0).

or

The Company has considered employee seniority when making decisions about who to lay off (1).

(c) Policy toward local community involvement.

The Company has not coordinated their plans with the local community (0).

or

The Company has coordinated their plans with the local community (1).

(d) Policy toward retraining.

The company is not planning to retrain any employees to fill

vacant positions (0).

or

The company is planning to retrain as many employees as possible to fill vacant positions (1).

(e) Participation of employees.

The Company did not consider employees' views when making layoff decisions (0).

or

The Company considered employees' views when making layoff decisions (1).

Cue intercorrelations

In this design cue intercorrelations are assumed not to exist because there is no empirical evidence that the presence of one cue (the use of temporary employees) is in anyway related to another (coordinating with the community). Cue intercorrelations result when there are not random or balanced uses of the factors. In many cases balanced designs do not represent a realistic portrayal of the existing conditions being studied. However, when there is good reason to believe a balanced design is appropriate and that it is representative of the existing conditions in the environment, then it is appropriate to duplicate this in the vignettes. Redundancy in the cue effects, however, may be experienced. In this research the design is a completely random, one-quarter, fractional factorial which yields no intercorrelations. As will be described below, this is the default approach to SJT studies

(Brehmer and Joyce, 1988).

Cue sequence

The order of the cues within each vignette is altered. In this case we used a random number table to select the sequence of the cues in each vignette. Randomizing the order of the cues helps to reduce serial effects due to the way the cues are sequenced in the vignettes.

Order of Vignettes

One of the reasons serial order effects might occur is due to subject's becoming fatigued toward the end of the vignettes. Altering the order of the vignettes reduces serial order effects. Random number generators were applied to determine the order of the eight vignettes.

Number of Vignettes. In many SJT studies, cue values are either determined by a random selection or they are constructed to satisfy an orthogonal design (Brehmer and Joyce, 1988). These are the default conditions in studies involving human judgment. The cue values in this dissertation are constructed to satisfy an orthogonal design. The assumption behind this approach is that there are no intercorrelations among the cues in the ecological environment we are concerned about (organizational restructuring). Put simply, we assume that the cues are independent of each other.

Although we can frequently read about restructuring plans in the media, specific policies used in implementing these plans are either not revealed, not reported or inconsistently reported. Consequently, observing the environment to gain an overall expectation of the prevalence of some

policies over others is problematic. In addition, we see no practical or theoretical reason to believe that the presence of one cue condition will influence the presence or absence of another cue condition. For example, we don't expect that the decision to use temporary employees should influence whether to consider seniority in deciding who to lay off.

A completely orthogonal design would test every possible combination of cues. With five policy cues at two levels (0,1) each the total number of possible vignettes is given by the formula:

$$V = l^c$$

Where V equals the number of vignettes, l equals the number of levels for each factor and, c equals the number of policy cues. In this case this is $2^5 = 32$. Thirty two vignettes is, however, a rather large number.

There are at least two reasons to reduce the number of vignettes. The first is subject fatigue. Reading thirty-two similarly worded vignettes and responding to the identical matters of judgment after each vignette would take a prohibitive amount of time. Under these conditions the last, say, eight vignettes is unlikely to get the attention of the first 8. Although different test forms help, the number of test forms becomes a procedural problem; it is preferable to have the same number of subjects taking each form.

The second reason is theoretical and methodological. We pointed out earlier that, although no existing research supports or refutes our position, there does not appear to be any compelling theoretical reason for believing that there are interactions among the cues. This is particularly true at the higher order interactions. In these higher order interactions we are asked to

consider the third and fourth order interaction effects (Brehmer and Joyce, 1988). These interactions, we believe add little or nothing to understanding the explained variance in a design with only five factors. Moreover, we have a methodological techniques for reducing the number of vignettes and still maintaining a balanced, orthogonal design. This mechanism is a fractional factorial (Brehmer and Joyce, 1988).

For these reasons we have applied a fractional factorial algorithm for cue factors (Winer et. al, 1991). At a one-quarter fraction that allows a reduction of vignettes to eight while still testing for all of the main effects. Appendix A provides the cue combinations that provide orthogonality.

MEASURES

Moderating Variables

Ideological orientation. One of the primary objectives of this dissertation is to examine the influence of ideological orientation on judgments of fairness and indicators of commitment, trust and citizenship. As described in Chapter 5, the Liberal-Communitarian Scale offers an index with twenty items that load well onto two factors. The scale measures one's orientation to Liberalism or Communitarianism. Subjects respond these questions on a 7-point Likert-type scale. The information required to answer the second research question, whether ideology moderates judgments of fairness, is made available through this ideological orientation scale.

Dependent Variables

Commitment. Perceptions of commitment are expected to vary with policies, ideological orientations and combinations of these two. Mowday,

Steers, and Porter (1979) were among the first to develop a scale to measure organizational commitment (OQC). These authors theoretically ground themselves in the notion that commitment exists to the extent that personal identity is linked to the organization (Sheldon, 1971). We propose that a person who does not identify with the organization, and is thereby not committed. During pretests two commitment questions emerged as especially predictive of judgments. The reliability coefficient for these questions is .54. This low correlation is expected because each question represents different commitment factors -- affective and continuance. These questions are:

2. How likely would you be to recommend a friend for a job at Tompkins?						
Very Likely	Likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Unlikely	Very Unlikely
1	2	3	4	5	6	7

5. Even if you new your job at Tomplins was safe, how likely is it that you would begin looking for another job?						
Very Likely	Likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Unlikely	Very Unlikely
1	2	3	4	5	6	7

Citizenship. The second component is organizational citizenship behavior. Organ (1977) argued that the link between satisfaction and performance may be blurred by the way performance is measured. Organ argues that we measure performance by productivity goals or the satisfaction of some other preconceived standard (Moorman, 1993). It may be appropriate to measure those citizenship behaviors which are discretionary, are not formally rewarded and yet promote the effective functioning of the firm. We

believe these are also good indicators of alienation arguing that a person who feels separated from the company is unlikely to voluntarily perform unrewarded work solely for the benefit of the company. For this reason we adopted the following questions from Organ (1977):

3. If you currently worked for Tompkins how likely is it that you would attend unrequired and unrewarded events that help the company image?						
Very Likely	Likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Unlikely	Very Unlikely
1	2	3	4	5	6	7

4. How likely is it that you would work overtime to help make up for the loss of the laid-off employees?						
Very Likely	Likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Unlikely	Very Unlikely
1	2	3	4	5	6	7

Again, the correlation coefficient is somewhat low -- .44 -- but this is because the questions are measuring different latent variables in citizenship.

Trust. The third measure is trust. Clearly, in any contractual understanding, faith that the other party continues to meet its implied or explicit responsibilities is vital to the health of the continued relationship. We measure a judgment of trust with a single 7 point Likert-type measure:

6. How likely would you be to trust the word of Tompkins' managers?						
Very Likely	Likely	Somewhat likely	Neither likely nor unlikely	Somewhat unlikely	Unlikely	Very Unlikely
1	2	3	4	5	6	7

Fairness. The final dependent variable is a judgment of fairness. Fairness traditionally encompasses ideas of justice (Beis, 1988) and social

responsibility. This measure is made on a seven point Likert-type scale, for example:

1. Tompkins Inc. has been fair in planning the layoff.						
Strongly agree	Agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Disagree	Strongly disagree
1	2	3	4	5	6	7

Control Variables. As indicated in Chapter Three there are some reasons to believe that gender, age, and economic class may have effects on judgments of fairness. The items were structured in such a way as to accommodate the potentially significant differences between sample subgroups. This data is collected using the following items:

Gender.

I am: _____male _____female (check one)

Age.

My age is: (check one)

- _____ under 18
- _____ between 18 and 21 years
- _____ between 22 and 28 years
- _____ between 29 and 38 years
- _____ between 39 and 45 years
- _____ between 46 and 65 years
- _____ over 65 years

Social class. The positions individuals occupy in the social status structure is, potentially, another interesting moderating factor. For this we use a two-factor index of social position (Hollingshead, 1958).

Annual income: (check one)

- _____ Less than \$15,000
- _____ \$15,000 - \$25,000
- _____ \$25,000 - \$35,000

- _____ \$35,000 - \$45,000
- _____ \$45,000 - \$60,000
- _____ above \$60,000

What is your education: (check one)

- _____ Less than high school diploma.
- _____ High school graduate.
- _____ Some college.
- _____ College bachelors degree
- _____ Some graduate courses
- _____ Graduate degree.

Each subject was administered the vignettes and the survey questions as described above. In the classroom settings the instructor handed out the survey and it was completed during class hours. The full-time working sub-sample were forwarded their surveys through interoffice mail. Two introductory letters explaining the survey were attached to this subset of surveys. Moreover, in order to maintain confidentiality, a stamped, self-addressed, envelope was included so that the subject could return the survey directly to the primary investigator.

HYPOTHESIS TESTING

This section provides the step by step procedures for testing the hypotheses. Each hypothesis is treated separately. All of the direct effects identified below is tested consistent with SJT, using multiple linear regressions. If the resulting 't' score for the coefficient of the variable is equal to or greater than 1.96, then the effects are considered significant. For example, examining the direct effects of any given policy or ideological orientation on judgments of fairness, trust, commitment and citizenship the following model is applied:

Base model: $Y_{1,abcdef} = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6$

Where:

Y_1 = Judgments of fairness, trust, commitment or citizenship

X_1 = Use of temporary employees

X_2 = Consideration of seniority

X_3 = Community involvement

X_4 = Retraining

X_5 = Employee participation

X_6 = Ideological orientation

$H_0: \beta_x = 0$ (From base model)

Examined by the following t test:

$$t_b = \frac{b_i}{s_b}$$

The above model produces a multiple correlation coefficient (R-sq). This is referred to as the base model. A second model -- called a moderated regression model -- adds the product term of the variables in question. In this case we separately add and examine the product terms of ideological orientation with the use of temporary employees, consideration of tenure, retraining, employee voice, and coordination with the community. These models are tested by comparison for each dependent variable -- fairness, trust, commitment and citizenship. The first step requires that the R-sq of both the base models and the moderated models are significant. The second step compares the R-sq values. If the R-sq in the moderated model significantly exceeds the R-sq in the base model, the interaction is said to be significant. To test the significance of any differences between of the R-sq of the base model

and the R-sq of the model that contains the product term, the following formula is applied.

Step 1) Is the proportion of variance accounted for meaningful?

$Y_{1.abcdefg} = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_1 X_6$ (moderated model)

$Y_{1.abcdef} = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$ (base model)

Step 2) Is there a significant interaction?

$$F = \frac{(R_{y.abcdefg}^2 - R_{y.abcdef}^2) / (k_1 - k_2)}{(1 - R_{y.abcdefg}^2) / (N - k_1 - 1)}$$

These procedures are used for each of the hypotheses described in Chapter 3.

CLUSTER ANALYSIS

Cluster analysis is a post-hoc technique applied to the data to examine whether various judgment policies exist and to identify what these policies are. In this case we run a regression analysis for every subject on every dependent variable. After obtaining the regression weights for each cue, a clustering algorithm is applied to sort subjects with similar weightings into “clusters.” After these clusters are formed, analysis of variance is applied to various demographic characteristics and the dimensions of ideological orientation. If differences between these clusters can be found, then it can be asserted that varying policies exist. Of keen interest is whether ideological orientation differs between clusters. If such differences exist we posit further

evidence that one's ideological orientation influences the weightings of the various cues.

SUMMARY

This chapter has outlined the analytical approach that is taken to investigate our hypotheses. I have outlined the procedure for social judgment theory. Moreover, I have specified tests and indicated how I intend to conduct those tests. The following chapters describe the results of our efforts to construct a measure of ideological orientation, and efforts to examine the role of this ideological orientation in judgments of fairness, trust, commitment and citizenship.

CHAPTER 5

MEASURING IDEOLOGICAL ORIENTATION

Previous operationalizations of ideological orientation have generally taken the approach of evaluating one's propensity to assign greater priority either to self interest or collective interests. In contrast, this research attempts to determine how one views the role and purpose of social institutions vis-a-vis the individual and the collective. These views, we argue, comprise one's normative position on the economic social contract. As we continue in the liberal - communitarian debate, we argue that two broad views defining institutional roles coexist: first, that social institutions ought to maximize individual liberty and autonomy, second, institutions ought to maximize the overall welfare of all persons in society.

In this project we have defined ideology as those values, beliefs and ideas that serve to define and justify the structure of social relationships. Measuring ideological orientation, then, is concerned with unearthing a subject's dominant beliefs, values and ideas about how social relationships ought to be structured. We argue that one dimension revealing these ideologies is the liberal - communitarian continuum. The purpose of this chapter is to report on the development of a liberal-communitarian scale that measures these views.

We describe the process used to develop the scale that assesses one's liberal or communitarian ideological orientation. After reviewing the

literature in related scales, we discuss issues of content, construct and criterion validity of the scale, as well as factors indicating the scale's reliability.

RELATED SCALES

Several indices exist within the literature that appear to parallel the notion of liberalism and communitarianism. We discuss three here: Wagner's (1995) measure on individualism/collectivism, Christenson's (1984) measure of Gemeinschaft and Gesellschaft, and Ray's (1983) measure of conservatism - liberalism.

Individualism - Collectivism

According to Wagner (1995) individualism-collectivism is: "an analytical dimension that captures the relative importance people accord to personal interests and to shared pursuits" (Wagner, 1995: 153). The individualist is inclined to ignore the interests of the collective in favor of personal desires. The collectivist considers the demands and interests of the group to have greater precedence over individual desires. This index was derived from and constructed from the work of several organizational scientists (Erez and Early, 1987; Triandis et.al, 1988; Wagner and Moch 1986).

The Collectivist-Individualist scale contains five factors and twenty items. The first factor measures personal independence and self-reliance and contains statements like: "Only those who depend on themselves get ahead in life." Factor two measures the importance one accords to winning in competitive situations and contains statements like: "Winning is everything." The third factor is designed to measure how much the person

values working alone and presents statements like: "Given a choice, I would rather do a job where I can work alone rather than doing a job where I have to work with others in a group." Factor four examines one's norms concerning subordinating personal needs to group interests, presenting statements like: "People who are part of a group should realize that they are not always going to get what they want." The fifth and final factor measured one's beliefs about the effects of personal pursuits on group productivity and presents statements like: "A group is more productive when its members do what they want to do rather than what the group wants them to do." Each statement is followed by a seven point Likert-type scale ranging from strongly agree to strongly disagree.

Examining the assumptions behind each factor yields the criteria by which the individualist -- or our liberal -- will be hypothetically distinguished from a collectivist or communitarian. In the first factor, for example, it is assumed that individualists will hold that one's desires will not be satisfied by others. The key question is whether this assumption is made by the individualist but not the collectivist. Yet we can imagine circumstances where even individualists will recognize that some of our needs can only be satisfied by other people. The primary assumption in the second factor is that a collectivist is not success oriented or competitive. This assumption seems troubling to us because so many "collectivist" countries produce highly competitive individuals and teams. Our observations would indicate that an inclination toward collectivism and a competitive nature are not mutually exclusive. In the third factor we assume that individualists prefer working

alone. Of course, this might also be true of a person with a high locus of control. Once again, a preference for working alone is not convincing evidence for distinguishing between individualist and collectivist ideologies, but simply between those that prefer, for some reason, to work alone despite their ideological orientation. Moreover, it may not be clear what working alone means. A graphic designer, for example, may perceive that he or she works alone in producing the art, while a manager may perceive the designer as working with a studio of others. In the fourth factor, we are asked to assume that a collectivist will assert that people must make sacrifices when working with a group. While this is a likely concession for a collectivist, it is also a likely concession for an individualist! Once more we are not convinced this factor measures the construct of ideological orientation. Finally, the assumption in the fifth factor suggests that a person of individualistic orientation will argue that a group is more productive when each of its individual members pursue their own interests and concerns. While we believe it is likely that a collectivist would disagree with this, we also believe that many individualists are highly likely to disagree with this -- but on the grounds that the likelihood of group success is increased through coordinating each person's role, and that it is in the best interests of the individual members for the overall group to succeed in its agreed upon objectives.

It is clear that the Wagner (1995) Individualism-Collectivism scale is empirically sound, and that it is measuring some latent construct of interest. Yet, the theoretical arguments above lead us to believe that it is unlikely to

measure the separate and coherent systems of values and beliefs that distinguish between the ideological orientation of liberals and communitarians. Further results of empirical tests are presented below, and tend to support this conclusion.

Gemeinschaft - Gesellschaft

Toennies (1887) developed the terms Gemeinschaft and Gesellschaft to gain insight to the change in personal values as one's way of life became less rural and more urban. Gemeinschaft is a term used to describe communities that are based on kinship, have a cohesive moral code, contain organic ties to one another, and often share a common religious sentiment (Abercrombie et. al., 1984). On the other hand, gesellschaft describes communities that are characterized by individualism, competitiveness, self-interest, an extensive division of labor and negotiated accommodations. Christenson (1984) argues that each of these represent a reasoned moral position and should be found in the values and beliefs of society because they reflect ideological orientations.

Christenson developed a two-factor, thirteen-item scale to assess the values and beliefs of respondents. The first factor, gemeinschaft, presents values to the respondent such as patriotism and humanitarianism. The second factor, gesellschaft presents values such as personal freedom, non-conformity and material comfort. Each value is followed by a scale numbered 1 to 4 ranging from "slight importance" to very "great importance" respectively.

These value clusters in the Christenson scale appear to us to be theoretically and empirically sound. The scale itself, however, presents a

problem in measurement. Christenson states that "... these idealizations coexist to varying degrees within a society at any particular time..."(Christenson, 1984: 161). A country's citizens will, therefore, be conscious of various ideological positions to the extent that one's ideological orientation is contested terrain. Political campaigns present examples of ideological rhetoric designed to capture one's allegiance. Yet, the assumption underlying Christenson's scale is that an individual will respond to values systematically according to the view of only one ideological orientation. By not forcing the respondent to select and apply a predominant ideological orientation the scale may reflect more than one ideological perspective at large in the social milieu.

Conservatism - Liberalism

In our last index, Ray (1983) reports on a scale constructed to measure the political conservativeness or liberalness of the respondent. The scale items present to the respondent contemporary examples of conservative or liberal values. Consequently, Ray revises the scale occasionally. In this case, conservativeness refers to one's inclination toward limited government involvement, traditional Christian values, and law and order. Political liberalness refers to one's willingness to tolerate diverse orientations and opinions, as well as one indicator of a tolerance for a greater role for government in the distribution of society's wealth.

An example statement aimed at conservative values is: "People who show disrespect for their country's flag should be punished." On the liberal end, the scale presents subjects with statements like: "People should be

allowed to hold demonstrations in the street without government interference.” The author reports an alpha coefficient for reliability of .85 and a split-half reliability coefficient of .43.

Our difficulty with this scale is that a political liberal may hold different view- points than a philosophical communitarian. The same is true for political conservatives and philosophical liberals. For example, a philosophical liberal is likely to support the rights of a person to burn a flag on the basis of individual sovereignty and rights. As made clear from the scale, however, a political conservative is not expected to endorse such conduct. Moreover, it may be the case that a communitarian would find mass demonstrations divisive of the community’s integrity while a philosophical liberal finds them an essential part of individual free speech. On this basis it remains unclear that the Ray scale will help us to tap into the ideological factors we seek to measure.

The analysis of the above scales leads us to the conclusion that a scale constructed specifically to assess the content of one’s predominant ideological orientation is needed. The next section describes the approach we have applied to develop such a measure.

METHOD

Because we are concerned with a person’s perceptions of specific organizational behaviors, we seek to understand what persons believe the role of social institutions -- such as economic institutions -- ought to be. We argue that these normative ideologies form for the person a micro economic social contract. To measure this we first specifically define the phenomena

we wish to measure. In this case we have set out to measure individual's beliefs, values and ideas regarding the place of the individual in institutions and collectives.

The scale was developed over a period of one year. Professors of organizational theory, business ethics and political philosophy met to generate potential items. Item pool generation involved identifying specific opinions about institutional roles that we agreed reveal certain ideological content. We also generated items about personal preferences and characteristics that we believed would lead us to better understand one's underlying values, beliefs and ideas. In some cases we garnered ideas from similar, existing scales.

Deciding upon a scale format was one of the more challenging steps. The problem of assessing liberal - communitarian orientation is complicated by the nature of large, pluralistic societies. In the United States, for example, coherent, yet opposing, ideologies coexist. In fact, particularly during political campaigns, it appears that one's ideological orientation is contested terrain. Consequently, it is plausible that any ideological framework could be invoked by an item. For this reason we found it useful to construct a scale that is anchored by opposing ideological positions and ask the respondent to locate their position on that scale. The final scale is presented in Appendix B.

The scale was pretested several times, in several formats. These response formats included a forced choice dichotomous scale, a seven point Likert-type scale and ultimately, the semantic differential format anchored by opposing ideological positions. The pretests contributed to the validation

process and some of these test results are discussed in the validation subsection that follows. The next section discusses the results of the scale development process.

RESULTS

Validity

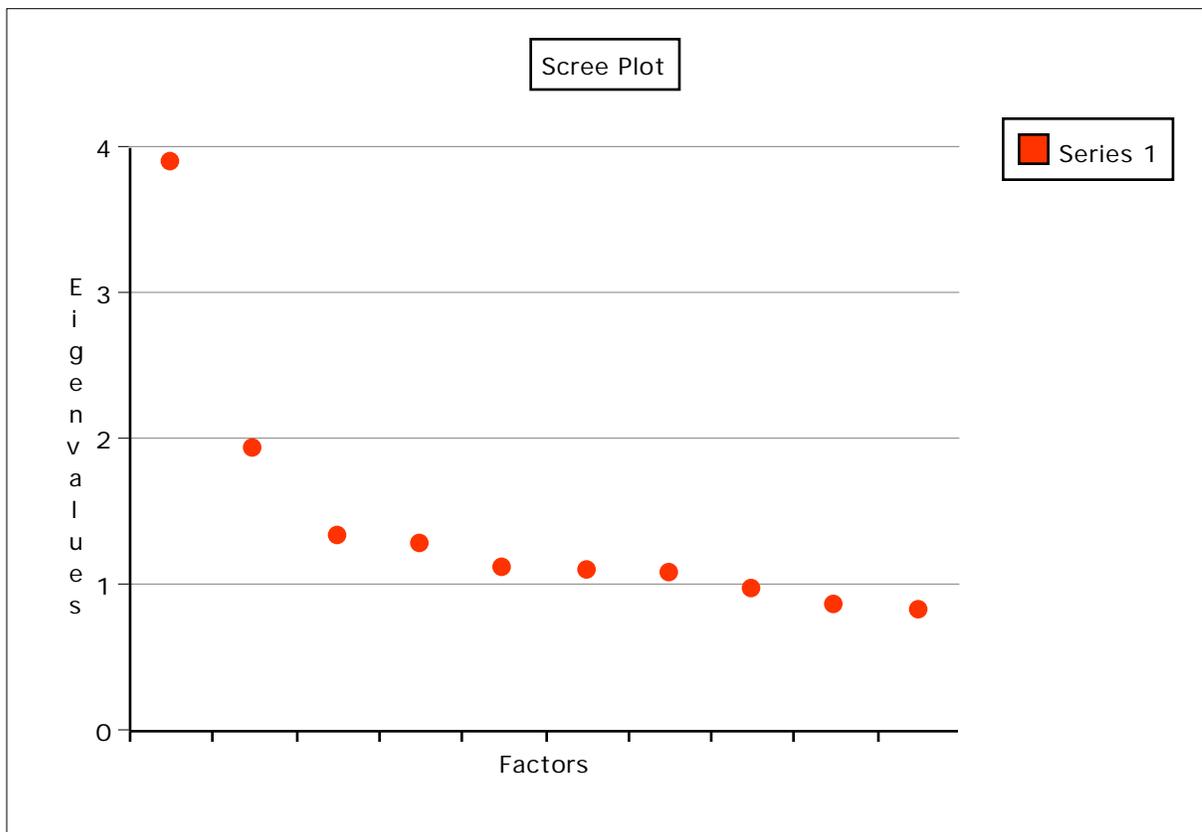
A scale is considered valid to the extent that it measures what it is suppose to measure. The validity of the Liberal-Communitarian index is measured by the extent to which it uncover's the respondents underlying beliefs, values and ideas regarding the priority of the individual vis-a-vis the collective. Three types of validity are discussed in this subsection.

Content validity. Content validity focuses on the sampling adequacy of the items included in the scale. As is reported in Chapter 3, the domain of ideology is broad and its functions diverse. Our approach of including several experts in the area of liberal and communitarian philosophy, ethical analysis and ideology, represents one way to bolster content validity. Moreover, each item was evaluated for its consistency with the overall definition of the constructs of liberalism and communitarianism.

Construct validity. Construct validity stems from the reasonableness of the construct's relationship to other variables. These other variables are expected to have theoretical relevance to the construct (Pedhazur and Schmelkin, 1991). To the extent that this requirement is met, the analyst can assert that the set of indicators are reflecting the same construct and can be combined into a scale. In this study we used two approaches in evaluating the validity of the construct: factor analysis and cross-structure analysis.

The term factor analysis refers to a family of techniques useful in discovering the underlying relationships between a set of observed variables - in this case, items. Exploratory factor analysis is used here to discover the latent dimensions with which the items covary. In this case a common factors analysis was conducted on the correlation matrix of the items. The eigenvalues (the sum of the squared loadings on each factor) were used to develop a scree plot (Figure 5.1). An analysis of the scree plot indicates that it is reasonable to extract the first two factors because the continuity of the function appears to break after two factors.

Figure 5.1. Scree plot of eigenvalues.



A factor analysis was then conducted on the two extracted factors. An oblique (oblimin) rotation was selected as a rotation that attempts both to simplify the definition of the resulting factors and maximize the variance explained by those factors. Table 5.1 contains the eigenvalues and the rotated and sorted factor loadings. All items which did not load at the .40 level or above were eliminated from the scale.

The resulting four factors and their respective loadings appear consistent with the theoretical discussion of communitarianism and liberalism. The first factor we defined as “sources of self-fulfillment.” As used here, fulfillment refers to the concept of achieving personal satisfaction through addressing the needs of other persons; this is frequently considered to be an inclination toward kindness or beneficence. Helping others through difficult times, valuing the role of voluntary actions and collaborating with others in team efforts are several of the items that loaded on this factor. It seems plausible to us that a person with a higher inclination toward communitarianism would also be inclined toward experiencing fulfillment when assisting others.

The second factor we defined as the appropriate insitutional roles of for the major institutions of society. This factor includes anchors reflecting the consequences of welfare, the outcomes of government benefits for recipients and one’s normative beliefs about social justice. From our discussion in chapter 3 it is clear that liberals and communitarians should differ on this factor and it, therefore, is theoretically sound.

Table 5.1. Eigenvalues and factor loadings on two extracted factors using an oblimin rotation.

Items	Fulfillment	Role of Institutions
Eigenvalues	3.91	1.9394
Loadings		
6	0.665	
14	0.654	
8	0.646	
11	0.583	
16	0.58	
19	0.541	
15	0.457	
20	0.433	
2	0.4	
1		0.767
10		0.753
12		0.533
7		0.501
13		0.5

In sum, we find the exploratory factor analysis to satisfactorily support the theoretical arguments established in Chapter 3.

Cross-structure analysis. The evidence from the factor analysis presented above is necessary but not sufficient to support the construct validity of a set of items (Pedhazur and Schmelkin, 1991). One way to approach cross-structure analysis is through convergent and discriminant validity. Convergent validity refers to whether the construct in question varies in a positive direction with theoretically similar constructs. On the other hand, discriminant validity is established if the construct significantly

varies negatively with items that purport to measure theoretically opposing constructs.

During the pretesting phase the liberal-communitarian scale was administered with the other scales identified and discussed in the previous section describing existing measures. Table 5.2 contains the correlation coefficients with the scales discussed in the previous section. The liberal-communitarian measure correlates significantly and in the correct direction with the other three scales measuring similar theoretical constructs.

Table 5.2 Correlations with similar constructs.

Scale	Lib/Com	Wagner	Christianson
Wagner	.399**	-	-
Christianson	.322**	.282••	-
Ray	.219*	-0.02	-.208*

*p .05

**p .001

Table 5.3 contains correlations between the separate factors reported in Wagner's (1995) scale measuring individualism/collectivism and the factors in the Liberal-Communitarian scale reported in the subsection on factor analysis. Wagner's scale has five such factors. His first factor measures one's position on self-reliance. Wagner's self reliance correlated significantly (.59, p .001) with the first factor of the Liberal-Communitarian scale -- preeminence of others needs. This would appear to indicate that one's self-reliance is positively correlated with one's willingness to support social welfare institutions. That is, if a person is highly self-reliant they will be less likely to

support social welfare programs. If, on the other hand, the respondent has a high concern for others they are likely to be less self-reliant. Wagner's self-reliance factor also correlated significantly (.41, $p < .001$) with our fourth factor, fulfillment, indicating that those most self-reliant are least likely to see a need for beneficence. The overall total of the liberal/communitarian scale also correlated significantly with self-reliance (.537, $p < .001$). Wagner's second factor, described as the importance one places on winning, correlates significantly with the preeminence of others factor. One interpretation of this finding would be that competitive people are more likely to place self-interests above others' interests. Citizenship and the overall scale total also correlated with competitiveness. Both of the factors in the Liberal - communitarian measure correlate significantly with the total score on Wagner's Individual-Collectivism measure. These significant correlations are encouraging and give us confidence in the construct validity of this measure.

Table 5.3. Correlations between the five Wagner factors and liberal - communitarian factors.

WAGNER'S INDIVIDUALISM/COLLECTIVISM FACTORS					
L/C Factors	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Institutions	.466**	.315**	0.209*	-0.018	0.144
Fulfillment	.368**	.352**	0.173	-0.03	0.019

* $p < .10$
 ** $p < .05$
 *** $p < .01$

Criterion Validity

Criterion validity is achieved to the extent that there exists an empirical association between the construct and some criterion. In the case of this dissertation we argue that persons of different ideological orientations will have differential perceptions of fairness and organizational obligation in a downsizing scenario. These perceptions can be viewed as dependent variables assessing whether a layoff is perceived as fair and whether a company is obligated to retain the employee. If the person's ideological orientation systematically influences answers to questions of fairness and obligation, then those with low fairness and obligation scores should have a different ideological orientations from those with a high score on fairness and obligation. Stated differently, the null hypothesis reads:

H₀: The mean ideological orientation score for those that score low on fairness and obligation is not different from the ideological orientation score for those that score high on fairness and obligation.

A k-means cluster analysis of the fairness and obligation responses was conducted during a scale pretest. Our theoretical argument is that two groups should show differences in ideological orientation. Therefore we assigned each respondent to one of two groups using the k-means algorithm. Of the 76 subjects, 44 were assigned to one group and 32 were assigned to the other group. The average fairness and obligation scores for cluster one were 4.47 and 4.37 respectively. The fairness and obligation scores for cluster two were 3.02

and 2.96 respectively. These scores indicate that cluster two was more in agreement with company layoff behavior and perceived that the layoffs were more fair and companies were less obligated to retain employees than did cluster 2.

Aldenderfer and Blashfield (1984) present several techniques for validating a k-means cluster analysis. The procedure they recommend is to compare variables between groups that are not used by the clustering algorithm. In this case we are especially interested in whether ideological orientation between the two groups is significantly different and in the correct direction.

Cluster one's mean ideological orientation score was 90.07. Cluster two's mean ideological orientation score was 82.06. As expected these indicate that cluster two -- the cluster more in agreement with management policies in layoffs -- demonstrated a more liberal orientation. Moreover, an analysis of variance revealed that these scores are significantly different from each other ($F=11.21$, $p < .001$). Consequently, we cannot accept the null hypothesis and argue that ideological orientation between sample members is affecting the way they respond to questions of fairness and obligation in organizational restructuring scenarios.

Reliability

Reliability expresses the extent to which a scale will consistently yield the same results over repeated uses (Carmines and Zeller, 1979). We use two techniques for evaluating reliability; coefficient alpha and

test-retest correlation.

Coefficient Alpha. Cronbach's alpha measures the internal consistency of the scale items. The following formula expresses this coefficient.

$$= \frac{p}{1+p(N-1)}$$

Where:

N = number of questions

p = The average inter-item correlation

In this case the coefficient alpha was computed at .81. According to Nunally (1972), scales with alpha coefficients above .70 are suitable for research purposes.

Test-retest reliability . Under this technique, the reliability of a scale is equal to the correlation between the scores on the same test obtained at two different points in time. In this case 25 undergraduates were administered the Liberalism - Communitarianism scale. Two weeks later the same 25 undergraduates filled out the scale again and their results were correlated. Their responses resulted in a correlation coefficient of .54.

SUMMARY

In this chapter we have traced the procedures used to develop and validate a measure of ideological orientation. We examined three popular existing scales and concluded that they measure constructs different from the liberal - communitarian orientation. Techniques and results of content, construct and content validity were discussed.

Moreover, internal reliability and test-retest reliability were evaluated. All of these results indicate that the Liberal - Communitarian scale is empirically sound and sufficiently valid and reliable for its use in the conduct of organizational research.

CHAPTER 6

RESULTS

This chapter contains the results of the analytical design described in Chapter Four. This chapter contains four sections. Section 1 contains the body of the hypothesis testing. Consistent with social judgment theory, linear regressions were used to assess the statistical significance and relative weights of the various cues and the hypothesized interactions. Over 44 tests were conducted. In the second section, we apply clustering and analysis of variance (ANOVA) to examine whether persons of differing liberal-communitarian ideological orientation attribute similar weights to cues in the scenarios. As discussed below, each sub-sample has differing degrees of exposure to organizational restructuring and we suspect the salience of the issue may differentially influence results, consequently the third section presents a brief analysis of differences between those involved in restructuring and those with little or no work experience. The fourth section summarizes these results.

HYPOTHESIS TESTING

In this subsection, we present the results of tests of our hypotheses presented in Chapter 3. Our report is organized by dependent variable. We begin by reporting the direct and indirect effects of one's ideological

orientation. With tests of direct effects we examine the influence one's ideological orientation on judgments of fairness and the indicators of alienation (trust, commitment and, citizenship). This test answers the question: if everything else is held constant what is the influence of ideological orientation alone on judgments of fairness and indicators of alienation. Subsequently we evaluate the question whether one's ideological orientation moderates one's judgment of fairness and alienation. The direct effect of ideological orientation on each of the dependent variables demonstrates that part of the total effects of ideological orientation that is not mediated by other variables (not mediated by the use of certain policies or demographics, for example). The practical interpretation of a significant direct effect in ideological orientation is that one's liberal or communitarian view influences judgments of fairness without taking other variables into account. The indirect effects, on the other hand, reflect that part of the total effect that is mediated by other variables. In testing these effects, we ask whether a person's ideological orientation combines with specific organizational practices to explain significantly more variance than is explained by the direct effects alone. The practical interpretation of a significant indirect effect is that a specific organizational practice strongly coincides with (or is strongly opposed to) one's ideological orientation. Significant moderating effects suggest that this confluence of organizational practice and ideological orientation serves to explain a substantially greater amount of why a person deems a situation fair (or unfair) than the direct effects alone.

We then present the results of our tests for the direct effects of each of the practices we devised. That is, we ask whether a specific policy taken alone (e.g. the use of temporary labor) influences judgments of fairness and indicators alienation. We conclude each of the following subsections with a short discussion on the influence of the demographic variables in the respective judgments. There are at least two reasons for concurrently testing the influence of demographic variables and hypothesized variables. First, it is important to differentiate between the variance explained by the hypothesized relationships, and that variance explained by demographic variables. Moreover, it is possible that demographic variables account for most of the explained variance. For this reason including demographic variables with the hypothesized variables, allows the analyst to determine how much variance is explained by the hypothesized relationship, over and above that explained by demographic characteristics alone. Consequently, gender, class and age were carried forward to the full models described below.

Judgments of Fairness

Direct and indirect effects of ideology and judgments of fairness. Our primary concern in this research is to evaluate the influence of one's ideological orientation in judgments of fairness and in indicators of alienation. This subsection describes the results of tests to evaluate the role of ideology in judgments of fairness. Six hypotheses are evaluated in this section. The first is the direct effect of ideological orientation, the remaining five are the moderating effects of ideological orientation as combined with management practices.

H₁: The factors of ideological orientation will significantly and positively influence judgments of fairness.

We have theorized that a higher ideological orientation score -- a more communitarian orientation -- will influence judgments of fairness. Table 6.1 displays the results for the tests on this dependent variable. The table contains eleven models, the base model plus ten models testing interactions. Interactions are possible between the policy cue and either of the dimensions of ideological orientation explained in detail in Chapter Five (sources of self-fulfillment or institutional roles). There are six columns in the table. The first column contains the base model. The second column contains the models that test the interactions between the policy of using temporary employees and sources of self-fulfillment (model 1) and institutional roles (model 2). Columns three, four, five and six test the interactions between these two ideological dimensions and tenure, retraining, voice, and community coordination respectively. A similar table is constructed for each of the dependent variables.

The base model of Table 6.1 indicates that the two factors of ideological orientation do have positive and significant direct effects on judgments of fairness ($t=3.51$, $p .01$). We can conclude that persons with a more communitarian orientation toward fulfillment and institutional roles will, in general, find the practice of restructuring more unfair regardless of the restructuring policies implemented by management. This hypothesis is supported.

H₂: One's liberal-communitarian ideological orientation will interact with the use of temporary labor to moderate judgments of fairness.

Models 1 and 2 in Table 6.1 describe the influence of the product term of the factors of ideological orientation and employing temporary labor. As the model indicates, these interactions do not add significantly to the overall variance explained in the base model -- the model with no interactions. Consequently, this hypothesis is not supported. We conclude from this that the use of temporary labor does not especially concur with or conflict with the ideological orientations of the sample.

H₃: Liberal-communitarian ideological orientation will interact with the use of tenure to moderate judgments of fairness.

Models 3 and 4 of Table 6.1 presents the results of this test. As indicated in the table, the product term of self-fulfillment and the use of tenure is not statistically significant and does not contribute significantly to the variance explained in the base model. However, the factor of institutional roles does indicate a significant interaction. As a result, we conclude this hypothesis is partially supported. We conclude from this that those with a more communitarian orientation regarding the role of institutions would find it more fair if that institution reciprocated loyalties by applying tenure when selecting persons to be terminated. Reciprocal loyalties consistent with our theoretical proposition suggesting that communitarians will expect greater social responsiveness from the corporation.

H₄: Liberal-communitarian ideological orientation will interact with the use of retraining to moderate judgments of fairness.

Model 5 and 6 of Table 6.1 presents the results of this test. As indicated in the model 5, the product term of self-fulfillment and the use of retraining is not statistically significant and does not contribute significantly to the variance explained in the base model. Model 6, however, reveals that retraining and institutional roles do significantly interact. As a result, we conclude that this hypothesis is partially supported. Those with a more communitarian perspective toward the role of institutions would find retraining employees selecting for lay off to take other positions in the company substantially more fair. This is theoretically consistent with our propositions suggesting that communitarians will expect greater social responsiveness from the corporation.

H₅: Liberal-communitarian ideological orientation will interact with employee voice to moderate judgments of fairness.

Model 7 and 8 of Table 6.1 contain the statistics for this test. As indicated in model 7, the product term between self-fulfillment and employee voice does contribute significantly over the variance explained in the base model ($R\text{-sq} = .271$, $f=5.79$, $p .05$). This finding suggests that the more communitarian a person is in deriving self-fulfillment, the more important it is for institutions to allow members to participate in decision making.

=====
Table 6.1
See Appendix D.
=====

Model 8, however, indicates that the product term between institutional roles and voice is not significant. This hypothesis is partially supported.

H₆: Liberal-communitarian ideological orientation will interact with community coordination to moderate judgments of fairness.

Models 8 and 9 in Table 6.1 examine this hypothesis. As indicated in model 9 the product term of community coordination and sources of self-fulfillment is not significant. Model 10, however, shows that coordinating with the community and the subject's institutional role score combine to explain significantly more of the variance over the base model. The more communitarian one's perception of institutional roles, the more likely he or she will object to not coordinating with the community and judge the scenario as unfair. This hypothesis was partially supported.

In summary, the hypotheses on total effects -- both direct and indirect -- for ideological orientation on judgments of fairness are substantially supported. Direct effects are consistently present. Moreover, significant moderating effects emerge for each policy cue for one of the dimensions of ideological orientation.

Direct effects of various practices on judgments of fairness. In this section we examine the variance explained by the direct effects of the various practices derived in Chapter 3.

H₇: The use of temporary labor will directly and positively influence judgments of fairness.

This hypothesis tests the impact of the practice of using temporary labor to replace permanent, full-time employees. Table 6.1, Direct and Indirect Effects of Dependent, Demographic and Moderating Variables on Judgments of Unfairness, contains the results of this analysis. Six models are presented in the table. The model on the left is the base model. Only direct effects are tested in the base model. Five policies are tested. Standardized beta coefficients, t scores and relative weights are presented in each model and for each policy.

The overall multiple correlation coefficient (R-sq) in the base model is .267 (F= 97.52, p .01). In this case, the use of temporary labor is a significant factor influencing judgments of fairness (t = 2.47, p .05). The relative weight (.040) assigned to the use of temporary labor by the respondents is higher than either gender, tenure or sources of self-fulfillment in ideological orientation. The direction of the effect of using temporary employees is in the expected direction -- the use of temporary labor to replace full-time, permanent employees is negatively related to perceptions of fairness. The practical interpretation of this finding is that the subjects found that using temporary labor in a restructuring situation is unfair. Consequently this hypothesis is supported.

H₈: The use of tenure will directly and negatively influence judgments of fairness.

The base model Table 6.1 shows the influence of tenure in judgments of fairness. As the table indicates, tenure significantly influences judgments of fairness (t=6.27, p .001). The direction of the influence, however, was

unexpected. The sample indicated that the use of tenure -- as opposed to selecting employee to be retained based on profitability goals of the company - - was actually considered more unfair. We discuss the theoretical implications of this finding in Chapter 7. Although the use of tenure was a significant factor in the judgment, its effect was in the unexpected direction. Consequently, this hypothesis was only partially supported.

We further hypothesized that respondents would generally believe that retraining current employees for current vacancies would be perceived as more fair than discharging them and rehiring other persons with the skills the company needs. Therefore, we developed the following hypothesis

H₉: Retraining current employees to fill current vacancies will directly and negatively influence judgments of fairness.

As indicated in the base model of Table 6.1, retraining is a significant factor in judgments of fairness ($t= 10.19$, $p .001$). Moreover, the direction of the effect is in the expected direction, indicating that a company's effort to retrain current employees -- as opposed to discharging them -- will be judged as more fair. Our practical interpretation of this finding is that respondents find retaining employees through a process of retraining is more fair than hiring new people with the requisite skills. This hypothesis was supported.

We predicted that employee involvement in the policies and plans of the company's downsizing will be perceived as more fair by the respondents.

H₁₀: Employee voice will directly and negatively influence judgments of fairness.

The base model of Table 6.1 indicates that employee voice is a significant factor in judgments of fairness ($t= 13.13$, $p .001$). Moreover, the direction of the effect is in the expected direction. That is, coordinating and allowing for employee input reduces perceptions of unfairness. Our interpretation of this finding is that the inclusion of those most affected by the decisions management makes is an important practice, one directly influences a respondent's assessment of the fairness of a restructuring scenario. Consequently, this hypothesis is supported. It is also interesting to note that the relative weight of employee voice is quite high, second only to community consideration.

In the final proposition we theorized that subjects would find it more fair if the company coordinated with the community to ease the transition caused by the loss of jobs. Therefore, we hypothesized that:

H₁₁: Community coordination will directly and negatively influence judgments of fairness.

The base model in Table 6.1 displays the results of this test. As the data indicates, coordinating with the community is significant ($t=16.01$, $p .001$) in the judgment of fairness. Moreover, the effect is in the expected direction. This indicates that coordinating with the community in order to lessen the economic impact is perceived as an important indicator of the fairness of management practice. This hypothesis was supported.

In summary, and as hypothesized, each policy directly influenced the subject's judgments about the fairness of the described scenario. The effects of the use of tenure in selecting those to be laid off, however, were not in the

expected direction.

Demographic variables in judgments of fairness. Table 4.1 contains the 't' statistic for the relationship between the demographic variables for each dependent variable. For example, in judgments of fairness, gender was found to have significant direct effects. Females were more likely to judge a scenario as unfair. However, neither the socioeconomic variables nor the age of the subjects directly influenced judgments of fairness. As a consequence, gender was held for entry into the models described above. Table 6.1 contains the statistics that describe the influence of gender on judgments of fairness. In all models, gender emerged with significant direct effects.

Judgments of Trust

We have argued that trust is an important component of a reciprocal relationship. Without trust, expectancy and equity are not calculable by the employee. This lack of trust, we argue, indicates a greater degree of alienation. We hypothesized that various personnel policies in downsizing will influence the degree to which one trusts management's word.

Direct and indirect effects of ideological orientation on trust. A subject's liberal-communitarian orientation should directly influence his or her response to the scenarios. That is, a person favoring the good of the community over that of the individual will be less trusting of management during any restructuring event.

H₁₂: Ideological orientation will significantly and positively influence judgments of trust.

The base model of Table 6.2 illustrates that both factors of ideological orientation significantly influence judgments of trust. In addition, the direction of the effect was in the expected direction -- those with a more individualistic orientation answered they were more likely to trust management's word whereas, those with a more communitarian orientation were more likely to be less trusting. This hypothesis was supported.

We also expected that would apply certain values, beliefs and ideas to the use of temporary employees, and that, for the communitarian, these ideals would run counter to the use of temporary labor, thereby decreasing one's likelihood to trust management. Thus, we hypothesized;

H₁₃: The use of temporary employees will interact with ideological orientation to moderate judgments of trust.

As indicated in models 1 and 2 in table 6.2 this hypothesis was not supported. Here the two product terms that includes self-fulfillment and the use of temporary labor, and institutional roles and the use of temporary labor, did not significantly contribute more explained variance over what was explained by the base model.

Moreover, we predicted that not using seniority to select those people to be laid off would conflict with the ideals of reciprocal loyalty. In this case, we expected that subjects of a more communitarian ethos would find ignoring a person's longevity with the firm to be onerous and to cause significantly less trust in management's word.

H₁₄: The use of seniority will interact with ideological orientation to moderate judgments of trust.

Models 3 and 4 in Table 6.2 contain the results of this test. As indicated, the product term containing use of seniority and sources of self-fulfillment, as well as the product term containing institutional role and the use of seniority are both significant contributors to the explained variance of trust. Yet, once again, the direction of the effects was not expected. The direction indicates that the use of tenure will serve to cause more distrust. Consequently this hypothesis is only partially supported.

An argument similar to tenure was made for retraining. In this argument we speculated that person's of a communitarian orientation would value maintaining the integrity of the firm's community and find it better -- i.e., easier to trust management -- if management reinvested resources into the skill base. Therefore, we hypothesized that:

H₁₅: The use of retraining will interact with ideological orientation to moderate judgments of distrust.

Model 5 and 6 of Table 6.2 contains the results of this test. As indicated in the table, nether of the product terms of ideological orientation and the retraining policy contribute significantly to the explained variance in trust over the base model. This hypothesis was not supported

In addition, we theorized that one's ideological orientation would be related to how one perceived the need to allow those affected by managerial

=====
Table 6.2
See Appendix D
=====

decisions to have a voice in what those decisions are and how they are carried out. We hypothesized:

H₁₆: The presence of employee voice will interact with ideological orientation to moderate judgments of trust.

Models 7 and 8 in Table 6.2 contains the results of this test. The product term containing the factors of ideological orientation and the policy for employee voice was found not significant in both models. This hypothesis was not supported.

The final hypothesis that involves judgments of trust and the influence of ideology focuses on coordinating with the community. In this case, we argue that subjects of a more communitarian orientation will find it more fair if the company coordinates its plans with the community. We hypothesize:

H₁₇: Coordination with the community will interact with ideological orientation to moderate judgments of trust.

Models 9 and 10 in Table 6.2 contain the results of our test for this hypothesis. As the table indicates, the models containing the product terms between ideological orientation and community coordination did not significantly contribute to the overall explained variance. This hypothesis was not supported.

Direct effects of various policies on judgments of trust We expected that the use of temporary labor would directly influence a subject's judgment

of trust. If a firm had a policy of using temporary labor to reduce labor costs, at the expense of full time permanent employees, then the subject would be less trustful of management's word. We hypothesized that:

H₁₈: The use of temporary employees to replace permanent full-time employees will be significantly and positively related to judgments of trust.

Table 6.2 contains the model used to assess the influence of the various independent variables on trust. The base model in Table 6.2 contains the T tests and significance level of all independent variables. As indicated in the table, the use of temporary labor in the overall sample did not influence judgments of trust in management. This hypothesis was not supported.

Similarly, we hypothesized that subjects would be less trusting of management's word if they did not use seniority was not used to decide who should lose their jobs:

H₁₉: The use of seniority in deciding which employee to retain will be significantly and negatively related to judgments of trust.

The base model in Table 6.2 shows that the use of seniority is significantly related to judgments of trust. Again, however, the effect of this variable is not in the expected direction. In this case, the use of seniority contributes to *increased* distrust reported by the subject. Consequently, this hypothesis is only partially supported and the theoretical explanations for the

unexpected direction of these effects are addressed in Chapter 7.

Retaining employees that have a history with the firm could be accomplished through retraining. We expected people to be different as to the importance of retention through retraining -- and, consequently would differentially trust management's word based on whether they invested in retraining employees.

H₂₀: The use retraining will be significantly and negatively related to judgments of trust.

The base model of Table 6.2 contains the statistics relevant to this test. As indicated, the use of retraining is significantly related to judgments of distrust ($t=7.14$, $p .001$). Moreover, the effect is in the expected direction. This demonstrates that more trust is expected in situations where firms retrain employees to fill job vacancies as opposed to discharging them. We interpret this to mean that respondents will be more trusting of management that applies practices that serve the best interests of the employee. This hypothesis is supported.

Decisions, policies and plans that affect other persons -- yet do not include those persons' views -- may be viewed as authoritarian mandates. We surmise that people trust management willing to hear the views of the affected party more than management that simply dictates policy without consultation. Thus, we hypothesize:

H₂₁: Integrating employee voice into the decision making process will significantly and negatively effect judgments of trust.

The base model of Table 6.2 contains the results of this test. As indicated, the direct effects of employee voice is significant. In addition, the effect is in the expected direction indicating that those scenarios describing companies that integrated employee voice into the restructuring decision making process were more likely to receive favorable judgments of trust. Moreover, it is interesting to note that employee voice is a more influential variable in judgments of trust than it was in judgments of fairness ($t=12.77$, $p .001$ and relative weight .385). This hypothesis was supported.

Once again, willingness to work with the community was the predominant factor in judgments of trust, as it was in judgments of fairness. In this case, we expected that those managers that would consider the impact of their decisions and policies on the community would engender more trust:

H₂₂: Coordinating with the community will significantly and negatively effect to judgments of distrust.

The base model of Table 6.2 contains the statistics indicating the direct influence of coordinating with the community. In this case, this policy was a significant factor ($t=12.54$, $p .001$). Furthermore, the effects of this policy were in the expected direction. That is, subjects would find the overall restructuring more fair if the firm agreed to coordinate with the community. This hypothesis was supported.

Demographic variables influencing trust. Gender and age have significant direct effects in judgments of trust. Despite the significant first order correlations between class and trust, class did not have significant direct

effects on judgments of trust when combined with the other independent variables (see the base model in Table 6.2). Females exhibited more distrust than males. Interestingly, older subjects tended to be more trusting of management in a restructuring scenario.

Judgments of Commitment

We have argued that one's commitment toward an organization that executes restructuring policies in violation of one's normative expectations will wane depending upon those policies. In this section we examine this proposition.

Direct and indirect effects of ideological orientation on commitment.

Our hypothesis asks whether ideological orientation has any influence on attitudes regarding committing to organizations under going restructuring.

H₂₃: Ideological orientation will significantly and negatively influence expectations of organizational commitment.

The base model in Table 6.3 indicates that in judgments of organizational commitment only the institutional role factor of ideological orientation plays a direct and significant role ($t=6.81$, $p .001$). In addition, those with a more communitarian orientation were more likely to report that they would be less committed to the organization under the general conditions described in the scenarios. The effects, therefore, were in the direction expected. Because sources of self-fulfillment was not significant this hypothesis was only partially supported.

=====
Table 6.3
See Appendix D.
=====

Furthermore, we argued that the use of temporary labor will violate ideological principles typically expected in the more communitarian respondents. Therefore, we hypothesize:

H₂₄: The use of temporary labor will interact with ideological orientation to moderate judgments of organizational commitment.

Models 1 and 2 of Table 6.3 tests this hypothesis. In this case, neither factor of ideological orientation t significantly interacts with the use of temporary labor. This hypothesis was not supported.

Not using seniority to select employees for downsizing was expected to violate certain ideological principles. Thus, we hypothesized:

H₂₅: The use of seniority will interact with ideological orientation to moderate judgments of organizational commitment.

Model 3 and 4 in Table 6.3 shows the results of this test. As indicated by these models, the interaction between either factor of ideological orientation and the use of seniority does not contribute significantly to the overall explained variance. This hypothesis was not supported.

Maintaining the cohesion of the employee group by retraining those selected for layoff was theorized to comply with certain ideals consistent with communitarian ideologies, and should, therefore, influence one's commitment. We hypothesized:

H₂₆: The use of retraining will interact with ideological orientation to moderate judgments of organizational commitment.

Model 5 and 6 in Table 6.3 contain the results of this test. As indicated by the model, neither product term adds significantly to the overall explained variance in the base model. This hypothesis was not supported.

H₂₇: Facilitating employee voice will interact with ideological orientation to moderate judgments of organizational commitment.

Model 7 and 8 in Table 6.3 contains the results of this test. As indicated, the interaction of sources of self fulfillment and employee voice did contribute significantly to the overall explained variance over and above the base model. This tends to indicate that, for those that receive some personal fulfillment through participation with the collective, allowing voice is important. The factor of institutional roles, however, did not significantly contribute to the explained variance in commitment. Consequently, this hypothesis was partially supported.

Additionally, we have argued that those with a more communitarian perspective will find it important to consider the impact on the community when reaching decisions.

H₂₈: Coordinating with the community will interact with ideological orientation to moderate judgments of organizational commitment.

Models 9 and 10 in Table 6.3 contain the results of this test. As indicated in model 10, institutional roles does significantly interact with coordinating with the community. These indicates that those that see a more

communitarian role for institutions would expect them to consider the neighborhoods and communities in which they operate when making decisions that will directly influence the welfare of those communities. The product term between self-fulfillment and community coordination does not significantly contribute to the overall variance explained in the base model. This hypothesis was partially supported.

Direct effects of various practices on judgments of commitment. The base model in Table 6.3 contains the equations used in testing the set of cues in relation to judgments of commitment. As in the other tables, the base model tests direct effects of the cue policies. The overall R-sq of the base model is significant (R-sq=.195, F=73.64, p .001).

This brings us to the test for temporary labor and commitment. In this test we examine whether the subjects reported they would be less committed to an organization if that organization's practice was to hire temporary labor in order to reduce labor costs. Theoretically, the use of temporary labor would indicate less commitment to workers on behalf of management, and in reciprocation, we argued, workers should be less committed to the organization.

H₂₉: The use of temporary labor will significantly and negatively effect organizational commitment.

As indicated in the base model of Table 6.3, the use of temporary labor did not significantly effect judgments of commitment. This hypothesis was not supported.

Similarly, when a worker's tenure is not considered, one response would be not to remain committed to the organization. The worker's opportunity costs for remaining loyal, we proposed, would be calculated by both the employee and management when selecting who should remain with the firm. Thus we hypothesized:

H₃₀: The use of seniority will significantly and positively influence organizational commitment.

As indicated in the base model, the use of seniority has a significant and direct influence on judgments of commitment ($t=3.20$, $p .001$). Once again, however, the effect is not in the expected direction. The use of tenure to decide who will be discharged from the company caused respondents to report they would be less committed to the organization.

The use of retraining to keep as many people as possible would, it appears to us, also be an important indicator as to how committed the organization's management is to the well being of the worker. An unwillingness to retrain, we propose indicates a lack of managerial commitment to its workers. We expect workers to reciprocate with reduced commitment.

H₃₁: The use of retraining will significantly and positively influence organizational commitment.

The base model of Table 6.3 indicates that the retraining policy was a significant factor in organizational commitment ($t=5.39$, $p .001$). Moreover,

the effects of retraining were in the expected direction. That is, if retraining was used to prepare employees selected for dismissal to assume current vacancies, the respondent would indicate a greater level of organizational commitment. This hypothesis was supported.

One indicator of the organization's concern for its workforce is its willingness to consider employee's views in important decisions that directly affect them. Few, if any, decisions affect an employee more than those made in the restructuring process. Therefore, we propose that respondents would indicate that they would be more committed to organizations that considered employee views. We hypothesized:

H₃₂: Facilitating employee voice will significantly and positively influence organizational commitment.

As indicated by the base model in Table 6.3, employee voice is a significant factor in judgments of commitment ($t=7.09$, $p .001$). In addition, the effects of this cue are in the expected direction. That is, if a company facilitates employee voice respondents will judge that they would be more committed to that organization. Our respondents are indicating that including the opinions of those most affected by management decisions will render greater commitment. This hypothesis was supported.

A similar position is taken relative to coordinating with the community with the intention of easing the impact of management's decisions. We would expect respondents to be favorably committed to managers and organizations that concern themselves with the welfare of economic community. We hypothesized that:

H₃₃: Coordinating with the community will significantly and positively influence organizational commitment.

The base model in Table 6.3 indicates that, once again, coordinating with the community is the most important policy in the minds of the respondents. This factor significant $t=9.28$, $p < .001$), and it was also assigned the highest weight in the base equation. The direction of this effect was also expected. That is, if it is policy to coordinate with the community the respondents are likely to report they would be more committed. This hypothesis was supported.

Demographic variables and judgments of commitment. In terms of demographic variables, both gender and age had significant direct effects on levels commitment a subject was likely to exhibit. Females, for example, were likely to respond they would probably be less committed under the scenario conditions. Older persons, however, were likely to answer that they would be more likely to be committed to the focal organization whose behaviors are described in the scenarios.

Judgments of Organizational Citizenship Behavior

Organizational citizenship behavior is fundamentally understood to involve extra-role behavior. In addition, through the study of organizational behavior, we know that the dynamics of the work place are never fully arbitrated by standard operating procedures. We expect people to think through alternative responses to unique situations, and we focus substantial resources to help ensure that they respond in ways most beneficial to the

organization. The basis of citizenship is willingness to go beyond what is normally expected by investing one's time and effort on behalf of the organizational interests. This section examines the relationship of this construct to restructuring practices (Organ, 1991).

Direct and indirect effect of ideological orientation on judgments of citizenship. We argue that our beliefs, values and ideas should be reflected in how willing we are to make extra-role efforts in our work situation. Those with a communitarian perspective are expected to be more likely to perform extra-role behaviors. Thus, we hypothesize:

H₃₄: Ideological orientation will significantly and positively influence extra-role behavior.

The base model in Table 6.4 contains the results of this test. As indicated, ideological orientation directly and significantly influences organizational citizenship behavior. The direction of the effects, however, was not expected. The factor of self fulfilment indicated the more fulfilment that a person derived from his or her association the more committed that person would be. Although counter to our hypothesized expectation, the direction is reasonable for persons of high communitarian disposition. The direction of the institutional roles effect was expected. In this case the more communitarian the respondent the less likely he or she was to perform extra role behavior all other factors in the scenario held constant. This propensity spilled over into one moderating effect described below. This hypothesis was partially supported.

=====
Table 6.4
See Appendix D
=====

H₃₅: The use of temporary labor will interact with ideological orientation to moderate judgments of organizational citizenship.

Models 1 and 2 of Table 6.4 examine this interaction. As the model indicates, the product term does not significantly contribute to explained variance over the base model. This hypothesis was not supported.

We propose that a person of communitarian ideology would be more likely to find the use of seniority acceptable, and this would be reflected in their willingness to perform extra-role behaviors. Thus, we hypothesized:

H₃₆: The use of seniority to make retention decisions will interact with ideological orientation to moderate judgments of organizational citizenship.

Model 3 and 4 of Table 6.4 indicate that the interaction of tenure and sources of self fulfillment does not significantly contribute to significantly more explained variance over the base model. Neither does the interaction of tenure with institutional roles. This hypothesis was not supported.

We further theorized that respondents would differentially report their willingness to perform extra-role behavior based on whether the company was prepared to retrain that selected for termination. Therefore, we hypothesized:

H₃₇: The use of retraining will interact with ideological orientation to moderate judgments of organizational citizenship.

Model 5 and 6 in Table 6.4 indicate that the terms containing the product of retraining and ideological orientation did not contribute significantly more variance in citizenship scores than did the base model. This hypothesis was not supported.

In addition, we hypothesized that managements willingness to consider the impact of their decisions on the persons most affected will be important in the respondent's willingness to perform extra-role behaviors.

H₃₈: Employee voice will interact with ideological orientation to moderate judgments of organizational citizenship.

As indicated in model 7 and 8 of Table 6.4, the product term of employee voice and institutional roles did not significantly contribute to the explained variance in the respondent's judgments of organizational citizenship, over and above that explained in the base model. However, the interaction of self fulfillment and voice did significantly interact ($t=3.02$, $p .01$). If employee voice is present the communitarian is more likely to perform extra-role behaviors. We interpret this to indicate that the democratic ideals of participative decision making play an important role in organizational citizenship. This hypothesis was partially supported.

Our final hypothesis involving ideological orientation focuses on coordinating with the community. Similarly, we predict that management's willingness to consider the impact of their decisions on the those affected by them will be important to respondents. Thus, we hypothesize:

H₃₉: Coordinating with the community will interact with ideological orientation to moderate judgments of organizational citizenship.

As indicated in model 9 and 10 in Table 6.4, the product term of sources of self-fulfillment and community coordination was not significant. In addition, although the product term between institutional roles and community coordination was significant, it did not contribute significantly to the overall variance explained in the base model. This hypothesis was not supported.

Direct effects of various policies on judgments of citizenship. The base model of Table 6.4 contains the data for the direct effects of employing temporary labor. We hypothesized that the employment of temporary labor will directly influence citizenship.

H₄₀: The use of temporary labor will significantly and negatively influence organizational citizenship.

As the base model in Table 6.4 indicates, the use of temporary labor was a significant factor in judgments of citizenship. Moreover, the effect was in the expected direction. This hypothesis was supported.

Once again we determined that considering length of time that an employee had worked with the organization would influence judgments of citizenship. We hypothesized;

H₄₁: The use of seniority in deciding who to retain will significantly and positively influence organizational

citizenship .

As the base model of Table 6.4 indicates, although tenure was a significant factor, its effect was, once again, not in the expected direction. This indicated that the use of seniority to make retention decisions would result in lower citizenship expectations. This hypothesis was partially supported.

Willingness to retain employees in current vacancies and willingness to incur costs to do so was expected to engender greater self-reports of citizenship. We hypothesized:

H₄₂: The use of retraining will significantly and positively influence organizational citizenship .

The base model of Table 6.4 indicates that retraining significantly influences organizational citizenship responses ($t=5.39$, $p .001$). Moreover the effects are in the expected direction. This indicates that the use of retraining elicited more positive citizenship responses from the respondents. Retraining is a practice that causes greater indications of citizenship and reduces alienation. This hypothesis was supported.

Once again, employee voice in the restructuring process proved to be an important cue in the respondent's judgments. We hypothesized:

H₄₃: Employee voice will significantly and positively influence organizational citizenship.

The base model of Table 6.4 indicates that employee voice was one of the more influential factors ($t=7.09$, $p .001$). The relative weight assigned this

factor was second only to coordination with the community. Here we assert that the respondents were more likely to engage in citizenship behavior if management considered employee's opinions in the restructuring decisions.

Our final hypothesis asks whether coordinating with the community -- indeed acting like a good citizen -- would have influence and be reciprocated by the respondents. We hypothesized:

H₄₄: Coordinating with the community will significantly and positively influence organizational citizenship.

Once again, this factor proved the most influential of the cues in the scenarios ($t=9.28$, $p .001$). Coordinating with the community was significant and its effects were in the expected direction. This hypothesis was supported.

Demographic variable in judgments of citizenship. Gender emerged as significant in a person's responses of likely citizenship behavior. Females were more likely to respond that they would probably not perform certain citizenship behaviors for the focal company. Gender was carried forward to the full models constructed above and described in Table 6.4.

CLUSTER ANALYSIS

Thus far we have examined the role that specific cues, ideological orientation and their possible interactions play in judgments of fairness, and the indicators of trust, commitment and organizational citizenship. The analysis so far has been a priori. In this section we are interested in the relationship between liberal - communitarian orientation and the weightings of the various cues. In this phase of the examination we allow the

data to speak for itself. We assert that if respondent's underlying policies can be captured, and those with differing policies also differ in ideological orientations, then we have further evidence for the explanatory role of ideological orientation in perceptions of restructuring.

We use cluster analysis to test whether the respondent's underlying policies can be captured. Cluster analysis is a technique for grouping respondents that have certain common characteristics. In this case, we want to determine whether there are groups -- or clusters -- of respondents who respond to the scenario stimuli in a similar manner. If such clusters can be formed, then an examination of the differences between them could yield greater understanding on the factors underlying judgments of fairness, trust, commitment and citizenship.

Procedure

A multiple linear regression that included each cue was computed for each subject for the four dependent variables. This resulted in 269 regression equations for judgments of fairness as well as commitment, trust and citizenship behavior. For each dependent variable the coefficients are examined for similarity to determine whether distinct response patterns exist.

As indicated in Chapter 4, all factors were scaled the same -- zero if the factor policy was not used, and one if the policy was used. To assess whether similarities existed, two clustering algorithms were used. First, a hierarchical cluster analysis was performed and evaluated for the possibility of underlying clusters. This procedure was fruitful in three out of four of the dependent variables.

Using the charts in Figure 6.1 we were able to determine how many clusters or common policies, are likely to comprise the sample. These charts graph the distance measure between clusters against the number of possible clusters. The heuristic device for selecting the number of clusters for analysis is to examine the graphed function for substantial discontinuity and select the number of clusters that remains after the discontinuity. In this phase of the analysis an average linkage method was used with a squared Euclidian distance measure. Once the number of clusters are identified, a K-Means clustering algorithm to create the clusters was applied. For purposes of validating the clusters one might expect to see differences between them other than ideological orientation. Finally, in order to assess whether one's ideological orientation plays a role in the weighting of various factors, a one-way ANOVA was performed for the clusters on the factors of ideological orientation. Ostensibly, differences between clusters in ideological orientation would strongly suggest that one's liberal-communitarian orientation influences how one weights various restructuring practices.

In one case, organizational commitment, no distinct clusters emerged through our approach. In this case, we conclude that there are no separate policies with regard to judgments of commitment in this sample for the set of cues that were used.

Clusters in the Fairness Judgment

As indicated in Figure 6.1a, seven clusters were identified in the policy cue weightings for judgments of fairness. In addition, significant differences

=====
Figure 6.1 here
See Appendix D
=====

in class status emerged between the clusters lending credence to the seven cluster solution.

An evaluation of the policies for each cluster was undertaken. The first cluster found the use of temporary employees, and the lack of voice to be unfair, but they were the least of all clusters concerned about retraining. In the second cluster, employee voice became the predominant concern. In fact no other factor seemed particularly important to this group. These first two clusters were somewhat unopinionated relative to the last five clusters. However, the first cluster indicated the highest overall social class score.

The third cluster most highly emphasized the use of temporary employees. This cluster we labeled the “job stability” cluster because it weights a factor distinctly in the interests of employee stability. Cluster four, however, rated tenure as the most important factor. This cue was the cue with the unexpected direction indicating that the use of tenure was more unfair for this cluster. This cluster, however, was the most concerned about *not* using tenure. This indicates an emphasis on individual merit, thus we called this cluster the “merit cluster.”

The fifth cluster was the most concerned about not coordinating with the community. Consequently, we labeled this group the “community oriented” cluster. The sixth cluster was especially concerned with voice so we labeled this cluster the “democratically oriented” cluster. The final cluster seemed to believe in the use of temporary employees, and indicated that they would find it quite fair should they be used. They also believed that the use of tenure was the most unfair policy. This unexpected finding is also

combined with the finding that this cluster was among the oldest in average age, indicating that this decision was not made on vested interest. We termed this cluster the “profit oriented” cluster. Not surprisingly, this cluster had the lowest average -- or more individualistic -- ideological orientation score.

As a final test on these clusters, an ANOVA was conducted for the the factor scores of ideological orientation. As Table 6.5 indicates, the institutional roles factor also was found to be significantly different among the clusters. More importantly, the community oriented, democratically oriented and job security oriented clusters all exhibited more communitarian ideological orientation scores for the role of institutions than the profit-oriented cluster. Moreover, the merit and profit oriented clusters exhibit more liberal and significantly different ideological scores from the the other clusters.

We reach three conclusions from this portion of the cluster analysis. First, respondents do share patterns -- or policies -- in the manner they respond to the scenarios as evidenced by common weighting of the various cue factors to form distinct clusters. Second, respondents' ideological orientation factor of institutional roles is different among these clusters. Third, the differences between cluster institutional roles scores is observed to be in the expected direction, that is more communitarian scores for those concerned with the community, and more liberal for those most concerned with individual issues such as merit. This, we believe, demonstrates strong evidence for the role ideological orientation in judgments of fairness.

Clusters in the Trust Judgment

Figure 6.1b illustrates the difference scores on the trust clusters, indicating a break in the continuity at seven clusters. In clustering the

=====

Table 6.5

See Appendix D

=====

weights on the regression equations for the judgments of trust, we again used a hierarchical clustering algorithm. Subsequently, we ran a K-Means clustering procedure to create the seven clusters. Several significant cluster differences emerged, and others approached significance. Approaching significance in judgments of trust among the clusters was whether a person had lost a job due to restructuring ($F=2.00$, $p .066$), and whether one's family members had lost a job due to restructuring ($F=1.79$, $p .10$). Significant differences arose in the employment status of the respondent ($F=3.50$, $p .002$) and in the social class indicator (3.43 , $p .003$). In sum, these differences tend to support the assertion that distinct policy clusters do exist on judgments of trust.

Similar to the fairness clusters, although they demonstrated different priorities in cue weighting, clusters one and two showed no particularly strong opinions about the cues. More than the other clusters, cluster three emphasized employee voice. For this reason we labeled this cluster the

“democratic” cluster. This cluster also had the lowest social-class overall total. Cluster four was the most concerned about the use temporary employee, but thought that coordinating with the community was least important. We labeled cluster four the “employee rights” cluster. Cluster five responded in favor of using temporary employee, and indicated the use of tenure was very unfair, but was relatively indifferent about employee voice and coordinating with the community. We labeled this cluster the “profit oriented” cluster. This cluster also had the lowest overall communitarian score in personal fulfillment. Cluster six emphasized the use of tenure, thought retraining was important and that not coordinating with the community was highly unfair. We labeled this cluster the “labor oriented” cluster. The seventh cluster most highly emphasized coordinating with the community. We labeled this cluster the “community oriented” cluster.

Consequently, we tested the means of the factors of ideological orientation score between the clusters. As indicated in table 6.5, the sources of self fulfillment factor was significantly different between clusters. Moreover, the democratic cluster, the labor oriented cluster and the community oriented cluster all scored more communitarian than did the profit oriented , employee rights oriented clusters. The principled cluster had significantly more liberal orientations than the democratic cluster.

We conclude that we have established a valid clustering of judges’ views on trust in restructuring. Moreover, that there are significant differences in the sources of self fulfillment factor of ideological orientation

between these clusters. Third, this factor score varied in an expected direction between those that demonstrated more communitarian inclinations and those that exhibited more individualistic or liberal inclinations. This conclusion can be interpreted to mean that if a persons receive fulfillment from more communitarian sources than policies that disadvantage the community will cause a loss of trust.

Clusters in the Commitment Judgment

As figure 6.1c indicates, no clear break in the continuity of the difference scores occur before only one cluster remained. We interpret this to mean that discernible variance in policy waiting relative to commitment could not be established. No further cluster analysis of this variable was pursued.

Clusters in the Citizenship Judgment

A hierarchical cluster analysis was also conducted on judgments of citizenship. As indicated in figure 6.1d, this resulted in a four-factor solution. Four clusters were created using the K-Means cluster analysis routine. The four clusters were then compared. While gender approached significance ($F=1.92, P .127$), two variables emerged as significantly different among the clusters at the 95 percent confidence level. The first was socioeconomic status and the second was source of self fulfillment. This lends us confidence that these clusters are in some identifiable ways, different from one another.

The first cluster weighted the policies of retraining, employee voice and community coordination *least* significant of all clusters in this judgment. We have labeled this cluster the “company oriented” cluster as

neither the employee stakeholder nor the community stakeholder held sway with this group. The second cluster found the use of temporary employees highly unfair and the use of tenure highly unfair. We refer to this cluster as the “employee rights” cluster. The second cluster also reported the highest overall socio-economic class total.

In the third cluster the most important factors was coordinating with the community, allowing employee voice and retraining employees. In this cluster, however, the use of temporary employees was least influential on citizenship judgments. We call this cluster the “community oriented” cluster. The third cluster also had the highest communitarian score on the ideological factor of self-fulfillment. Cluster four rated the use of tenure the most *unfair* policy and we rated this cluster the “profit oriented” cluster.

Having confidence that these clusters reflect different policies and demographic characteristics we then tested for difference in ideological orientation. As Table 6.5 indicates, the ANOVA on the self fulfillment factor of ideological orientation was significant, lending confidence to our assertion that ideological orientation plays a role in the development of perceptions and judgments about restructuring policies as they relate to citizenship behavior. In addition, the communitarian oriented group exhibited ideological orientation scores higher than the than the other clusters and significantly higher than the profit oriented cluster. Once again we conclude that different policies exist with regard to evaluating judgments of citizenship in a restructuring context. We also conclude that these common orientations share similar ideological orientations and these orientations are in an

expected direction. Finally, we conclude that ideological orientation plays a role in how people perceive their responsibilities to reciprocate through extra-role behaviors in the restructuring context.

Summary of Primary Findings

Thus far in this chapter we have examined the role ideological orientation for direct and moderating effects, and have tested for the direct effects of various human resource policies that would appear, from our theoretical discussion, to be important in judgments of fairness and indicators of alienation. We found, in general, that the various human resource policies do make a difference in judgments of fairness and indicators of alienation. Some are more influential (employee voice, coordination with the community) than others (the use of temporary labor, and tenure).

We also found a number of cases where ideological orientation appears to moderate judgments of fairness and indicators of alienation. In fact, of the three dependent variables that successfully clustered, only factors included in ideological orientation and socioeconomic status was consistently different across all clusters. From this we conclude the ideological orientation, as we have measured it, is an influential variable in perceptions of justice in organizational restructuring.

SUB-SAMPLE ANALYSIS

As indicated at the beginning of this chapter, the total sample contains sub-samples drawn from persons experiencing very different life circumstances. Approximately 22 percent (about 70 respondents) of the sample is composed of persons who are employed full-time in various

industries and occupations, sharing in common their experience as part-time MBA students. Another 23 (about 69 respondents) percent of the sample was drawn from persons who are full-time employees in a company undergoing restructuring. The salience of the restructuring experience is expected to be substantially higher for this group. The remaining 55 percent of the sample is drawn from full-time MBA students with little or no work experience. Although this portion of the sample is likely to be emotionally furthest removed from the situations described in the scenarios, they are, perhaps, for this very reason, most likely to provide the results most unbiased by personal experience, current life circumstances, or power-status within an organization. For these reasons we have undertaken a brief analysis of the differences between those persons that are working full time and those that are working in a restructuring company from others in the sample. Although we are not certain how these specific roles will affect respondents, we are interested in discovering any differences that may emerge.

Table 6.6 contains the results of one way analysis of variance between employment status (full time and restructuring company) against a series of outcome and dispositional variables.

We first examined how persons in a restructuring company may differ from the rest of the sample with regard to key demographic, ideological and outcome variables. The sample in the restructuring company was significantly more male, significantly older and significantly lower in socioeconomic status. Although there were no apparent differences in judgments of fairness between this group and all others, this group was

significantly more trusting, significantly more committed and significantly more inclined toward citizenship behavior. Interestingly, this group was significantly more communitarian in both sources of self fulfillment and in institutional roles. Contrary to popular reason, therefore, we find that persons in a restructuring environment are not more alienated, but in fact, less alienated than others in the sample. This finding is discussed in greater detail in Chapter Seven.

We also examined whether all of those in full time employment may differ on the same demographic, outcome and ideological variables. Again, significant differences emerged on all demographic variables, with the working sample being somewhat more male, having higher socioeconomic status and being somewhat older than the non-working group. Outcome variables, save fairness and trust, were significantly different between this working group and all others. They were more likely to report citizenship

Table 6.6. Sub-sample analysis of restructuring and fulltime employees versus all others

Variable	Restructuring	All other	Fulltime	All other
Gender	1.08†	1.33	1.24†	1.29
Class	4.40†	4.70	4.84†	4.44
Age	5.63†	2.93	4.84†	2.50
Fairness	4.04	4.05	4.05	4.04
Trust	4.06†	4.28	4.22	4.23
Commitment	8.66†	9.38	8.81	9.55
Citizenship	7.32†	8.29	7.91†	8.18
Fulfilment	47.462†	39.40	44.16	39.78
Roles	19.02†	18.03	18.77	17.84

† = p .05

behavior and higher levels of commitment. Moreover, their ideological factors of sources of fulfillment and institutional roles were more communitarian and significantly different.

We conclude this brief investigation by stating that one's position as an employee, either full time, or in a restructuring company, does seem to make a difference in most outcome variables, ideological orientation, and for this sample, in demographics. Future studies should attempt for control for these variables when attempting to isolate the influence of ideological orientations alone.

SUMMARY

Ideological orientation consistently demonstrates significant direct effects across all dependent variables. The moderating effects, though less pronounced, contributed significantly and in a systematic manner, in several cases. Our cluster analysis found, for those dependent variables where clusters could be identified, that ideological orientation was consistently different between the clusters. A sub-sample analysis identified ways in which sub-samples experiencing different work related contexts, differ in ideological, outcome and demographic variables, locating a number of significant differences among the sub-samples.

The approach of examining the factors of ideological orientation relative to the cues and dependent variables has offered somewhat more explanation as to what components are significant in various judgments. Results indicate that ideological factors are differentially influencing

judgments according to which dependent variables are being examined. Our conclusions generally support our propositions that ideological orientation does make a significant difference in explaining judgments of fairness, trust, commitment and citizenship in restructuring environments.

CHAPTER 7

DISCUSSION AND IMPLICATIONS

Applying social contract reasoning to economic organizations, Donaldson (1982) argued that the *raison d' être* for corporations is to enhance the lives of the people affected by them. Clearly restructuring, in the minds of some people, indicates that the economic social contract is fractured. Dudley (1994) reports the mood of workers: "If the United States government were truly of the people, by the people, for the people, workers say, it would not allow big corporations to close plants, abandon communities, and dump hardworking people such as themselves out on the street" (Dudley, 1994:141).

However, the content of the political and economic social contracts is contested among ideologies -- specifically, liberalism and communitarianism. This dissertation aims to operationalize ideological factors that help determine individual judgments of fairness in the economic arena. Drawing ideas from the liberal-communitarian tradition, I designed an index to position respondents along this ideological continuum (see Chapter 5). The polar liberal-communitarian positions are pure-form ideal types that serve as heuristic by which their adherence gauge the acceptability of certain social practices: Individuals with differing ideological orientations will differentially perceive how fair and how alienating certain organizational

policies -- observable in organizational restructuring -- are.

In the empirical test, five policies were balanced by factorial design. These policies included the use of temporary labor, the use of seniority in deciding who should be dismissed, retraining employees targeted for dismissal so that they could assume existing vacancies requiring different skills, considering employee voice in the decision making process, and considering the welfare of the community in which the company operates when making restructuring decisions. I formulated eight scenarios and posed several questions following each scenario in an attempt to answer two research questions: Are various restructuring policies predictive of judgments of fairness and indicators of alienation?; Are these judgments influenced by ideological orientations?

OVERVIEW OF FINDINGS

This research embarked on two empirical tasks. The first was to develop an index to assess one's liberal-communitarian ideological orientation. After extensive testing, we settled on a two-factor solution with acceptable internal reliability ($\alpha=.74$ and $.63$). The second task was to determine whether a person's ideological orientation influenced judgments of fairness, trust, commitment, and citizenship. In all cases, direct effects emerged and indirect effects also developed. The extent of support in the 44 hypotheses is quite high; over 70 percent supported or partially supported

Ideological Orientation

Ideological orientation matters. The liberal-communitarian factors emerged as a dispositional characteristic that consistently surfaced in all

judgment models. Moreover, interactions of some cue patterns and ideological orientation significantly contributed to the explained variance in these judgments above and beyond their separate direct effects. Therefore, ideological orientation does exhibit some moderating influences on judgments of fairness, trust, and citizenship in restructuring scenarios.

Furthermore, empirically demonstrating that values, ideas and beliefs significantly influence judgments of fairness, trust, commitment, and citizenship, confirms the claim that normative principles do play a role in people's cognitive assessments of the organizational situations they face. If ideological conceptions of the economic social contract are violated, attitudinal ramifications clearly ensue, and possibly behavioral consequences as well.

Use of Temporary Labor

Temporary labor exhibited significant direct effects in 50 percent of the models. This was the lowest observed rate of significance for a cue. This policy was found to be significant in judgments of fairness and organizational citizenship. The product term of ideological orientation and temporary labor did not surface as significant in any of the dependent variables. One possible explanation for the predictive weakness of this practice may be its novelty. Extensive use of involuntary contingent labor is a relatively new phenomenon and may not yet have been scrutinized for its compliance with the overall social or economic good.

Seniority

The use of tenure as a criterion for determining who should be laid off

was a significant factor in all judgments. The direction of these effects, however, was not anticipated. The direction indicated that the subjects found the use of tenure to be less fair, to create more distrust, and to cause less commitment and less citizenship behavior. The alternative explanation provided in the scenario was that employees to be retained would be selected on the basis of the company's profitability objectives. Several theoretical explanations are possible. For example, tenure may not be a reflection of the employee's performance, and performance in support of profitability would be the more important goal. Moreover, meeting profitability goals might be surmised to be predicated upon retaining the best employees regardless of seniority, whereas the use of seniority might include retaining lower performing employees. Yet another possible explanation is the overall average age of most of the respondents. In most cases the respondent would be too young to reap the rewards of seniority, thereby causing the respondent to perceive the use of tenure as unfair and exclusive of their interests. This conclusion points to an overarching ideal of meritocracy -- only the best are retained -- and fails to assess the social costs to older workers. Further examination of this variable is warranted.

Retraining

The use of retraining to provide employees with the skills necessary to fill vacancies in other parts of the company emerged as a significant factor in all judgments. The direction of these effects was in the expected direction, indicating that retraining was perceived as more fair, and worthy of increased trust, commitment and organizational citizenship behavior. Again,

however, no interactions were significant with this cue and ideological orientation.

Employee Voice

One of the more heavily weighted cues in the scenarios was the willingness of management to consider employee opinions in the restructuring process. Employee voice has significant direct effects in all of the judgments. In addition, 50 percent (two out of four) of the interactions with at least one of the factors of ideological orientation were significant. The product term did not emerge as significant in judgments of commitment or citizenship.

Coordination with the Community

The most heavily weighted cue was whether the company agreed to coordinate with the community to plan the restructuring in such a way as to minimize the economic turbulence. This is an interesting result since the community is one of several external stakeholders with interest in the outcome of restructuring decisions. The direct effects of this policy were significant in all judgments. In addition, the product term, including community coordination and ideological orientation, surfaces as significant in several judgments.

The significance of coordination with the community is justified for several reasons. First, respondents may recognize that the company has, for some time, used the resources of the community for its labor, safety and operating environment. Second, respondents may believe that profitable organizations should not unilaterally dismiss the needs of the people and

infrastructures that made their profits possible. Finally, respondents may recognize that communities have a valuable function in their own right in serving their citizens' needs for health and welfare and should not be placed in a position that weakens their ability to provide these services.

Cluster Analysis

Clusters of the emergent policies were established for the dependent variables of fairness, trust and citizenship. No clusters emerged in judgments of commitment. Seven policies for judgments of fairness and for judgments of trust, as well as three for judgments of citizenship, were established. Among the other differences, all clusters demonstrated statistically significant differences in sources of self-fulfillment scores. Socioeconomic class was another prominent characteristics in which many clusters differed. This is consistent with a oneway ANOVA indicating that subjects reporting lower socio-economic status considered the scenarios significantly more fair, and reported greater likelihood of trust and citizenship at the .05 level of significance. Differences in class and levels of commitment also approached significance ($p = .058$). These results demonstrate that ideological orientation does play a role in judgments of fairness and attitudes of trust and organizational citizenship.

The weight of these results rests with its implications for scholars examining organizational restructuring: policies that violate normative heuristics will result in negative judgments of fairness, reduced trust, reduced commitment and reduced attitudes toward organizational citizenship behaviors.

POST HOC OBSERVATIONS

Post-hoc analyses were undertaken in order to better understand the unsupported hypotheses. Several issues emerged through this analysis. The first focuses on the saliency of the situation for the various respondents. A second examines why ideological orientations exhibited no moderating effects on judgments of commitment. A third issue involves the possibility of overlapping responses from those that are highly doctrinaire in either the communitarian or liberal ideology (Hunter, 1996)

Situational Saliency

Persons from various work and non-work situations participated in this study. Approximately 25 percent, or 70 subjects, were currently working in an organization undergoing restructuring; others had no work experience at all. Post-hoc analyses demonstrates within the sub-sample for whom restructuring is an especially salient issue the role of ideology may be especially prominent, although not in the predicted directions. In the case of persons undergoing organizational restructuring, the direction of the significant effects of sources of self-fulfillment on the dependent variables of fairness and organizational citizenship, was reversed. That is, the direction of the effects are different from the other sub-samples, and from the overall sample taken as a whole: people with a communitarian orientation found the overall policies more fair, and inferred a likelihood of greater citizenship behavior, than people with a liberal orientation.

This phenomenon is not wholly unexpected. Skitka and Tetlock (1993) maintain that most people hold complex, and sometimes contradictory,

mixtures, of ideological values. Consequently, they argue, situational factors often determine which beliefs are primed or activated. In this case, the situational factors of restructuring appear to have triggered responses contrary to our hypotheses for this sub sample only. Of course ideologies do not manifest within an individual in pure-form -- any individual's ideology will be an admixture. For example, we find that a person may be an economic liberal and a social conservative.

One reasonable explanation is that as people become more embroiled in organizational upheaval they take their normative cues from progressively more proximal sources. According to Gouldner (1957) there are three referents for standards: cosmopolitans take their standards of conduct from broad strata across social institutions; locals draw theirs from the groups and individuals with whom they are directly involved; individual egoists -- draw only upon their personal interest -- even when doing so contrary to normative standards at the local or cosmopolitan levels. Thus, one important question is whether one's normative referent changes in reaction to the context.

Psychologists (e.g. Adams, 1965, Festinger & Carlsmith, 1957) have amply demonstrated that a discrepancy between what one believes ought to be and what one actually experiences will constitute a state of discomfort that results in cognitive dissonance (Adams, 1965). Although never empirically examined, Adams did understand the importance of contextual factors in perceptions of equity¹⁰. According to Adams (1965), people reduce cognitive

¹⁰ This information was transmitted to me via a conversation with a committee member who had discussed this with Adams before his death.

dissonance in organizational settings via several routes, two of which are changing the referent and reducing inputs. In this study it appears that communitarian respondents changed their referent by becoming more localized, moving from a more cosmopolitan position and drawing their community of concern at the organizational boundaries. Liberal respondents also appear to have become more localized by moving a 'local' orientation to one of individual egoism -- reducing inputs that manifest in diminished levels of trust, commitment, citizenship and fairness.

Judgments of Commitment

All dependent variables except commitment were influenced by at least one significant product term containing ideological orientation and either voice or community coordination. This indicates that there may be something unique about the commitment judgment. Several possible explanations exist.

First, the measure for ideological orientation may not be sensitive enough to reflect the subtleties of organizational commitment. A more likely conclusion, however, has to do with the construct of organizational commitment itself. At least three factors comprise recent constructions of organizational commitment -- affective, continuous and normative commitment (Allen and Myer, 1990). In broad terms, affective commitment refers to one's personal regard for the organization. Continuous commitment examines one's beliefs about whether suitable alternate employment opportunities exist. Normative commitment measures the degree to which one believes he or she should remain with the company

because it is the right thing to do.

If commitment is a multidimensional construct, then the influence of ideology may be present in one dimension-- such as normative commitment-- and not in other dimensions, such as affective or continuous commitment. Certainly, the availability of acceptable occupational alternatives -- continuance commitment -- is not a variable moderated by ideological orientation. Moreover, it may be that a person simply does not like the occupation, the team members or other characteristics of the work situation -- affective commitment -- in which she finds herself.

The confluence of several dimensions in the measurement of organizational commitment unearths a third possible problem: the motivation behind commitment is highly variable. For example, one could be committed on the basis of self-interest or community obligation.

In this study, it was our intention to demonstrate that people of varying ideological orientations would be differentially committed. Whereas the direct effects were significant, we would conclude that communitarians and liberals may be highly committed, or not at all committed, but for very different reasons. For example, a communitarian may be very committed to an organization because his or her source of fulfillment is derived from the social linkages within that collective, a liberal, on the other hand, may be very committed to the same organization because it is his or her soul source of income.

Ideological Principles and Response Overlap

Although the results generally supported the hypotheses proposed,

there are additional phenomena that serve to attenuate the relationships we investigated. These are the possibilities: (1) ideological orientation is contested ground-- that is, any individual's ideology may not be pure-form; (2) there are some persons who do not subscribe to any particular principles; and (3) doctrinaire persons may share many of the same views -- that is, those scoring both very high and very low on ideological orientation may respond in similar ways in judgments of fairness and in our indicators of alienation (Hunter, 1996).

Ideology as contested ground. As Skitka and Tetlock (1993) suggest, inconsistencies and contradictory beliefs exist within the social milieu. This factor might allow a person to answer that supporting government welfare programs is important, while believing that in a just society rewards are distributed to people on the basis of their relative merits. The dominant political parties display contradictory ideological patterns. For example, the Republican party typically advocates a highly communitarian principle of supporting traditional family values while simultaneously supporting highly liberal property rights. Although the latter principle is at odds with the former one, proponents in support of either policy can effectively sway opinion to achieve their own political or social ends.

Ideologically moderate respondents. One would expect that those respondents that are neither highly liberal nor communitarian would comprise the larger portion of the sample and also have the least ideological consistency. These we would term non-doctrinaire respondents. Future analysis may do well to remove these respondents from the sample in

order to study the effects of a particular ideological orientation.

Doctrinaire respondents. Yet, there is the possibility that those at the extreme ends of the ideological scale -- those we would call authoritarians and those we would call libertarians could share some common responses. This phenomenon may also serve to weaken linear relationships.

Caveats and limitations. Several issues in this study establish both boundary conditions and limitations. Each of the scenarios, for example, start with a context that characterizes the business as an important part of the community. It is possible that subjects would respond differently if they did not believe the community would be effected by the downsizing policies.

One of the limitations of a fractional factorial design is that some main effects may be confounded with two-way interactions. I have argued that there is no theoretical or empirical substantiation for believing two way interactions among the cues exist. If this argument is wrong then the design would be confounded.

When I measured the responses to fairness and trust I used single item measures. The use of single item measures can be unreliable and attenuate results. Moreover, the reliability between the items for citizenship and commitment was quite low. This was due, I believe, to the fact that each item represented a different factor in both citizenship and commitment. Future research should most likely have several items measuring common factors.

In retrospect, it would have been better if age was collected as a continuous variable rather than a categorical variable. Large segments of the

sample fell into common categories exacerbating the blurring of possible age effects in the study. In addition, the measure of class should probably have included some recognized social indicators, such as parents background, income and education. Future studies should probably include such indicators.

CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH

I reach several conclusions from these findings. First, I conclude that a person's attitudinal responses to restructuring are influenced by various human resource policies. Among the most important of these policies is the consideration of the community's welfare and the provision of employee voice in the decision making process. I further conclude that employee's attitudinal responses are significantly related to their liberal-communitarian ideological orientation, that one's ideological orientation does -- in some cases-- combine with human resources policies to moderate judgments of fairness and indicators of alienation. Finally, I conclude that one does apply normative heuristics to assess organizational behaviors. Moreover, these ideals are derived from the traditional philosophical debates that are embedded in the liberal-communitarian traditions, and culturally reproduced through political and economic institutions.

The Research Environment

Certain impediments emerge when attempting to access employees subject to organizational restructuring policies. One pervasive opinion among managers approached for this (and other similar studies) is that employees do not consider or weigh the appropriateness of managerial

policies unless and until they are overtly asked for their opinions -- such as in a survey. Appendix C contains such a response to our request to discuss studying issues of organizational restructuring at a particular company. Apparently, it is believed that research focusing on the affective consequences to workers caught up in organizational restructuring would impede good morale, exacerbate feelings of job insecurity, and sow the seeds of worker discontent. With precious few exceptions it became clear, as the study progressed, that top management's monolithic objective was maintaining a passive and controllable workforce even if it was at the expense of their employees and the communities in which they operated.

This inclination is, we believe, a manifestation of the very ideologies we intended to study. A telling opinion was recently published in the Wall Street Journal. In response to criticism levied at AT&T's Chief Executive Officer for cutting 40,000 jobs, the author asserted that: "... AT&T is not a welfare state." This rhetoric is clearly influenced by classical philosophical liberalism that emphasizes the property rights of owners. More insidiously, however, it suggests that AT&T's workers have been welfare recipients, receiving stipends not for their skills and efforts, but through the generosity and humanity of management -- a generosity made possible not by a surplus value in their workers' labor, but by executive's excellent managerial prowess. We learn through this opinion that it is no longer possible for AT&T to be so generous and still survive as a profit-making company.

Further Research

The role of situational saliency in the application of ideological tenets

is the most pressing empirical issue emerging from this research. Other possibilities include the breadth of application of ideological frameworks to other phenomenon, such as environmental policies. Consistency in the application of ideology should also be established. Other samples should be analyzed with particular emphasis on the roles ideology plays under periods of organizational restructuring.

The measurement of ideological orientation also deserves continued development and parallel examination with other possible dimensions of ideology. For example, Forsyth's dimensions of ethical subjectivity and absolutism might contribute interesting additional insights. The relationship between ideological orientation and social structure may shed additional light on why judgments are made.

Importance of the Research

Linking normative philosophy and empirical social science has become an important theoretical imperative for some business ethics scholars. According to one line of argument, dividing the labor between empirical social science and normative philosophy risks the development of an amoral social science (Victor and Stephens, 1994); irrelevance and illegitimacy may afflict the study of ethics if it is not tied to empirical dilemmas (Weaver and Trevino, 1994). Furthermore, as we have argued in the paper, normative theories function as heuristics by which to assess descriptive circumstances.

Perceptions of fairness and indicators of alienation are important antecedents to attitudinal and behavioral outcomes (Brockner, et.al. 1994; Bies, 1987). And few, if any, organizational events affect employee behavior

and attitudes as profoundly as organizational restructuring.

Practical Implications

Extensive research on the role of justice in organizational restructuring points to the importance of perceptions of fairness in the distribution of resources and the procedures used to distribute those resources (Cobb, Folger and Wooten, 1995). Here I have identified a dispositional characteristic that answers why some people are more negatively affected than others by management's decisions. Considering such characteristics allows managers to act in ways consistent with justice and responsibility.

Normative philosophy offers a rich source of theoretical constructs for testing within the context of economic social contracts and business ethics in general. One specific situation that has embedded within it ethical dilemmas is organizational restructuring. One's ideological orientation does influence judgments of fairness, trust, and citizenship in an organizational context. These results lend credence to the notion of an economic social contract that is derived from normative ideals, one which serves as a evaluative heuristic when assessing the acceptability of organizational conduct. Moreover, it is clear that violation of one's view of the economic social contract will result in attitudinal outcomes that are not only undesirable for the organization, but detrimental to one's quality of life.

A distinguishing characteristic of the United States is that the nation was founded upon articulated thesis that both the political social contract, and the macro economic contract should enact democratic values. America's large, pluralistic society, contains both liberal and communitarian views that

profoundly differ on many political, social and economic issues. It is not surprising that liberals and communitarians would have conflicting views on policies enacting organizational restructuring. As an economy in its transformation to the post-industrial era undergoes the most fundamental changes since the Industrial Revolution (Lewin and Stephens, 1993; Barley, 1994), scholars must examine whether the vaunted “lean” organization of the twenty-first century is fulfilling the societal role inherent in its chartering.

BIBLIOGRAPHY

- Adams, J. S., 1965. Inequity in social exchange. In L. Berkowitz (Eds.), *Advances in experimental social psychology* (pp. 267-299). New York: Academic Press.
- Argyris, C., 1960. *Integrating the Individual and the Organization*. New York: Wiley.
- Baker, H., Berry, V., 1987. Processes and Advantages of Entry Level Career Counseling. *Personnel Journal*, 66(4), 111-121.
- Beauchamp, T. L. (1982). The Ethical Foundations of Economic Justice. *Review of Social Economy*, , 60(3), 291-300.
- Beauchamp, T. L., & Bowie, N. E. (1993). *Ethical Theory in Business* (4th ed.). Englewood Cliffs, NJ: Prentice Hall.
- Beis, R. J. (1987). The predicament of injustice: The management of moral outrage. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (pp. 289-213). Greenwich, CT.: JAI Press.
- Bell, D. (1993). Downfall of the business giants. *Dissent*, , 21(summer), 316-323.
- Bendix, R. (1956). *Work and Authority in Industry: Ideologies of Management in the Course of Industrialization*. Berkeley: University of California Press.
- Brehmer, B., & Joyce, C. R. B. (1988). *Human Judgment: The SJT View*. Amsterdam: Elsevier.
- Brehmer, B. (1988). The Development of Social Judgment Theory. In B. Brehmer & C. R. B. Joyce (Eds.), *Human Judgment: The SJT view* (pp. 13-40). Amsterdam: Elsevier.
- Brockner, J., Greenberg, J., Brockner, A., Bortz, J., Davy, J., & Carter, C. (1986). Layoffs, Equity Theory, and Work Performance: Further evidence of the impact of survivor guilt. *Academy of Management Journal*, , 29(2), 373-384.

- Brockner, J., Grover, S., Reed, T., & DeWitt, R. (1987). Survivor's Reactions to Layoffs: We get by with a little help from our friends. *Administrative Science Quarterly*, 32(4), 526-541.
- Brockner, J. (1990). Scope of Justice in the Work Place: How survivors react to co-worker layoffs. *Journal of Social Issues*, 46(1), 95-106.
- Brockner, J., Tyler, T., & Cooper-Schneider, R. (1993). The Influence of Prior Commitment to an Institution on Reactions to Perceived Unfairness: The Higher They Are, the Harder They Fall. *Administrative Science Quarterly*, 37, 241-261.
- Brockner, J., Konovsky, M., Cooper-Schneider, R., & Folger, R. (1994). Interactive Effects of Procedural Justice and Outcome Negativity on Victims and Survivors of Job Loss. *Academy of Management Journal*, 37(2), 397-409.
- Brooker, L. (1996). The corporate squeeze of working americans and the myth of managerial downsizing. *Worldbusiness*, v2(4) pp 56.
- Buchanan, A. (1996). Toward a theory of ethics of bureaucratic organizations. *Business Ethics Quarterly*, v6(4), pp 419-440.
- Castro, J. (1993). Disposable Workers. *Time*, 87(March 15), 47.
- Church, G. (1993). Jobs in an age of insecurity. *Time*, (November 22), 34-39.
- Cavanaugh, G., 1988. *Establishing American Values*. New York: Prentice Hall
- Coates, G., & Jarrat, J. (1993). *The newly alienated management work force*. San Francisco: Jossey-Bass Inc.
- Cobb, Anthony T., Carroll U. Stephens and George W. Watson, (1995). "Strategic Use of Social Accounts", *Western Academy of Management Meeting*, San Diego, CA.
- Cobb, A.T., R. Folger, K. Wooten (1995). The Role Justice Plays in Organizational Change. *Public Administration Quarterly*, Summer, 135-151.
- Collins, D., (1992). Organizational dictators in democratic societies: A problem of conflicting social philosophies. Presented at the International

Association for Business and Society, Sundance, Utah.

Diesenhouse, S., (1993). Public housing, why the bad rap? *Journal of Housing*, v48(6), pp 293-296.

Doanldson, T. (1982a). What Justice Demands. *Review of Social Economy*, , 60(3), 301-310.

Donaldson, T. (1982b). *Corporations & Morality*. Englewood Cliffs: Prentice Hall.

Donaldson, T., & Dunfee, T., (1994). Integrative Social Contracts Theory: A Communitarian Conception of Economic Ethics. *Academy of Management Review*, 19(2), 145-165.

Donaldson, T., & Dunfee, T. (1994). Toward a Unified Conception of Business Ethics: Integrative Social Contracts Theory. *Academy of Management Review*, 19(2), 252-284.

Donaldson, T. , & Preston, L. (1995). Stakeholder Trtheory of the Corporation: Concepts, Evidence, and Implications, *Academy of Management Review*, 20(1), 65-91.

Downs, A., 1995. *Corporate Executions*, New York: American Management Association.

Dunfee, T. W. (1991). Business Ethics and Extant Social Contracts. *Business Ethics Quarterly*, , 1(1), 23-51.

Dunfee, T., & Donaldson, T. (1995). Contractarian Business Ethics. *Business Ethics Quarterly*, , 5(2), 173-186.

Dworkin, R. (1989). Liberal Community. In S. Avineri & A. de-Shalit (Eds.), *Communitarianism and Individualism* (pp. 237). Oxford: Oxford University Press.

Eagleton, T. (1991). *Ideology*. London: Verso.

The Economist, T. (1993). The death of corporate loyalty. *The Economist*, (3 April), 61.

Etzioni, A., (1988). *The Moral Dimension*, New York, NY: Basic Books

- Fierman, J. (1993). Jobs in America: When will you get a raise? *Fortune*, (July 12), 34-36.
- Flew, A. (1979). *A Dictionary of Philosophy* (2nd Edition ed.). New York: St. Martin's Press.
- Folger, R. (1986). Rethinking Equity Theory. In H. Bieroff, R. L. Cohen, & J. Greenberg (Eds.), *Justice In Social Relations* (pp. 145-162). New York: Plenum.
- Friedman, M. (1979). *Capitalism and Freedom*. Chicago: University of Chicago Press.
- Friedman, M., & Friedman, R. (1979). *Free to Choose*. New York: Avon.
- Gauthier, D. (1989). *Morals by Agreement*. Oxford: Calrendon.
- Gersuny, C. (1985). Employment Seniority and Distributive Justice. *The Philosophical Forum*, , 62(1), 41-47.
- Gleckman, H., Carey, J., Mitchell, R., Smart, T., & Rousch, C. (1993). The Technology Payoff. *Business Week*, (June 14), 51ff.
- Gough, J. W., (1963). *The Social Contract*. Oxford: Oxford University Press
- Habermas, J., (1987). *The Theory of Communicative Competence*, Vol. 2: *Lifeworld and System*, Boston, MA: Beacon.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1992). *Multivariate Data Analysis* (3rd ed.). New York: Macmillan.
- Hammond, K., Harvey, L., & Hastie, R. (1992). Making Better Use of Scientific Knowledge. *Psychological Science*, , 3(2), 80-87.
- Hegel, G. W. H. (1821/1942). *The Philosophy of Right* (T.M. Knox, Trans.). Oxford: Oxford University Press.
- Henkoff, R. (1993). Jobs in America: Winning the new career game. *Fortune*, (July 12), 46-49.
- Herder, J. G. (1913). *Samtliche Werke*. Berlin: Weichmann.

- Hobbes, T. (1651/1962). *Leviathon*. Oxford: Oxford University Press.
- Holusha J., 1993. A profitable Xerox plans to cut staff by 10,000, *The New York Times*, 9 December, D1 & D5.
- Homan, G.C. (1961). *Social Behavior: Its Elementary Forms*. New York: NY: Harcourt Brace and World.
- Jaccard, J., Turrisi, R., & Wan, C. K. (1990). *Interaction Effects in Multiple Regression*. Newbury Park: Sage.
- Jackall, R. (1988). *Moral Mazes: The World of Corporate Managers*. New York: Oxford University Press.
- Jary, D & Jary, J. (1991). *The Harper Collins Dictionary of Sociology*, NY: Harper Collins.
- Kant, I. (1781/1990). *Critique of Pure Reason*. Buffalo, NY: Prometheus.
- Keeley, M. (1988). *A Social Contract Theory of Organizations*. Notre Dame, IN: University of Notre Dame Press.
- Keeley, M. (1995). Continuing the Social Contract Tradition. *Business Ethics Quarterly*, , 5(2), 241-256.
- Kiechel, W. 1993. How will we work in the year 2000, *Fortune*, 17 May: 38.
- Konovsky, M., & Folger, R. (1991). The Effects of Procedures, Social Accounts, and Benefits Level on Victims' Layoff Reactions. *Journal of Applied Social Psychology*, , 21(8), 630-650.
- Kuttner, R. 1993a. Competitiveness craze, *Washington Post*, 2 August; A17.
- Kuttner, Robert, 1993b. The corporation in America, is it socially redeemable?, *Dissent*, Winter 1993, 35-49.
- Kymlicka, W. (1989). *Liberalism, Community and Culture*. Oxford: Clarendon Press.
- Lancaster, L. (1989). Outplacement offers a safety net for displaced workers. *Personnel Administrator*, v34(4), pp 60-63.

- Lane, D. M., Murphy, K. R., & Marques, T. E. (1982). Measuring the Importance of Cues in Policy Capturing. *Organizational Behavior and Human Performance*, 30(5), 231-240.
- Lane, R. E. (1982). Government and Self-Esteem. *Political Theory*, , 10(1), 5-31.
- Leicht, K., & Wallace, M. (1990). Work Organization, Business Culture and Job Entitlement in the United States and Japan. *Comparative Social Research*, 12, 177-208.
- Levinson, H., 1962. *The Exceptional Executive: A Psychological Conception*. Cambridge: Harvard University Press.
- Lichtenberg, J. (1993). On Alternatives to Industrial Flight. In T. L. Beauchamp & N. E. Bowie (Eds.), *Ethical Theory in Business* (pp. 638-645). Englewood Cliffs, NJ: Prentice Hall.
- Locke, J. (1690/1980). *Second Treatise of Government*. Indianapolis, IN: Hackett Publishing Company.
- Lodge, G. C. (1975). *The New American Ideology*. New York: Alfred A. Knopf.
- Lodge, G. C. (1984). *The New American Disease*. New York: Alfred A. Knopf.
- Lodge, G. C. and Vogel, R. (1990). *Ideology and National Competitiveness*. Boston: Harvard Business School Press.
- MacIntyre, A. (1984). *After Virtue* (2nd ed.). Notre Dame, IN.: University of Notre Dame Press.
- Miller, D. (1992). Community and Citizenship. In S. Aveneri & A. de-Shalit (Eds.), *Communitarianism and Individualism* (pp. 85-100). Oxford: Oxford University Press.
- Moorman, R. H. (1993). The Influence of Cognitive and Affective Based Job Satisfaction Measures on the Relationship Between Satisfaction and Organizational Citizenship Behavior. *Human Relations*, , 46(6), 759-776.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The Measurement of Organizational Behavior. *Journal of Vocational Behavior*, , 14(2), 224-247.

- Mowday, R., Sutton, R. (1995). Commitment propensity, organizational commitment, and voluntary turnover. *Journal of Management*, v18(1), 15-32.
- Nardone, T. (1986) 'Part-time Workers: Who are They?', *Monthly Labor Review*, 109(2) 13-19.
- Nelson, D., Quick, J., & Joplin R. (1991). Social support and newcomer adjustment in organizations: attachment theory at work. *Journal of Organizational Behavior* v12(6), 543-554.
- New Ways To Work (1992). *Equal Opportunities Review*, v53 Nov/Dec, pp 25-26.
- Nord, W., 1978. Dreams of Humanization and the Realities of Power. *Academy of Management Review*, 3(3), 674-679
- Nozick, R. (1974). *Anarchy, State, and Utopia*. New York: Basic Books.
- Nunnally, J. C. (1978). *Psychometric Theory* (2nd ed.). New York: McGraw Hill.
- Oakeshott, M. (1972). *Rationalism in Politics and other Essays*. New York: Basic Books.
- Organ, D. W., & Konovsky, M. (1989). Cognitive versus Affective Determinants of Organizational Citizenship Behavior. *Journal of Applied Psychology*, 74(1), 157-164.
- Pearlstein, S., 1993. Layoffs become a lasting reality, *The Washington Post*, November 6th, D1.
- Plato (circa 4th Century B.C./1974). *The Republic*. New York:NY, Hackett.
- Peffer, R. G. (1990). *Marxism, Morality, and Social Justice*. Princeton: Princeton University Press.
- Rawls, J. (1972). *A Theory of Justice*. Cambridge: Belknap Press.
- Rawls, J. (1993). *Political Liberalism*. New York: Columbia University

Press.

- Richman, L., (1993). America's tough new job market. *Fortune*, v125(4), Feb. 24th, pp 52-61.
- Raz, J. (1986). *The Morality of Freedom*. Oxford: Clarendon.
- Reich R., (1991). *The work of nations*, NY: Vintage Books.
- Reich R., (1994). Empowerment without rhetoric. *Quality Progress*, v27(6), 35-37.
- Robertson, D. C., & Ross, W. T. (1995). Decision-Making Processes on Ethical Issues. *Business Ethics Quarterly*, , 5(2), 213-240.
- Robinson, S., Kraatz, M., and Rousseau, D., 1994. Changing Obligations and the Psychological Contract: A Longitudinal Study. *Academy of Management Journal*, (37(1), 137-152.
- Robinson, S., Rousseau, D. (1994). Violating the psychological contract; not the exception but the norm. *Journal of Organizational Behavior*, v15(5), pp 245-259.
- Rousseau, J. J. (1754/1987). *Discourse on the Origins of Inequality*. In D. A. Cress (Eds.), *Jean-Jacques Rousseau: Basic Political Writings* (pp. 227). Indianapolis: Hackett Publishing Company.
- Rousseau, J. J. (1762/1987). *On the Social Contract*. In D. A. Cress (Eds.), *Jean-Jacques Rousseau: The Basic Political Writings* (pp. 227). Indianapolis: Hackett Publishing Company.
- Rousseau, D. M., & Anton, R. J. (1988). Fairness and Implied Contract Obligations: A Policy- Capturing Study. *Human Performance*, , 1(4), 273-289.
- Rousseau, D. (1989). Psychological and Implied Contracts in Organizations. *Employee Responsibilities and Rights Journal*, , 2(2), 121-139.
- Rousseau, D. M. (1990). New hire perceptions of their own and their employer's obligations: A study of psychological contracts. *Journal of Organizational Behavior*, , 11(3), 389-400.

- Rousseau, D. M., & Anton, R. J. (1991). Fairness and implied contract obligations in job terminations: The role of contributions, promises, and performance. *Journal of Organizational Behavior*, , 12(2), 287-299.
- Rousseau, D., & Parks, J. M. (1992). The Contracts of Individuals and Organizations. *Research in Organizational Behavior*, , 15, 1-43.
- Rousseau, D., & Aquino, A. (1993). Fairness and Implied Contract Obligations in Job Terminations: The Role of Remedies, Social Accounts, and Procedural Justice. *Human Performance*, , 6(2), 135-149.
- Rousseau, D. M. (1995). *Psychological Contracts in Organizations*. Thousand Oaks, CA: Sage.
- Rotter, J., 1966. Generalized Expectancies for Internal versus External Control of Reinforcement. *Psychological Monographs*, 80(1), 1-28.
- Salancik, G., Pfeffer, J., 1977. A Social Information Processing Approach to Job Attitude and Task Design, *Administrative Science Quarterly*, 23(2), 224-253.
- Schein, E., 1980. *Organizational psychology*, Englewood Cliffs, NJ: Prentice-Hall
- Selznick, P. (1992). *The Moral Commonwealth*. Berkeley: University of California Press.
- Senn, D. 1988. Myopic Social Psychology: An Overemphasis on Individualistic Explanations of Social Behavior. *Journal of Social Behavior and Personality*, 3 (2), 45-52.
- Sherman, G. (1993). Japanese management: separating fact from fiction. *National Productivity Review*, v4(1), pp 75-79.
- Shepard, J. M. (1971). *Automation and Alienation*. Cambridge, MA: MIT Press.
- Shepard, J. M. (1974). Alienation and Social Referents. *Sociology and Social Research*, , 59(1), 55-60.

- Shepard, J., Shepard, Jon M., Wokutch, R. (1995). The place of ethics in business: shifting paradigms. *Business Ethics Quarterly*, v5(3), pp 577-601.
- Slovic, P. (1969). Analyzing the Expert Judge. *Journal of Applied Psychology*, , 53(4), 255-263.
- Slovic, P., & Lichtenstein, S. (1971). Comparison of Bayesian and regression approaches to the study of information processing in judgment. *Organizational Behavior and Human Performance*, , 6(4), 649-744.
- Smith, A. (1759/1976). *The Theory of Moral Sentiments* (Glasgow Edition ed.). Indianapolis, IN: Liberty Classics.
- Smith, A. (1776/1976). *The Wealth of Nations*. Oxford: Clarendon Press.
- Solomon, R. C. (1992). *Ethics and Excellence*. New York: Oxford University Press.
- Smith, W., Organ, D., Near, M. (1983). Dispositional and contextual determinants of organizational citizenship. *Journal of Organizational Behavior* v17(3), pp 253-266.
- Solomon, R. C. (1992). *Ethics and Excellence*. New York: Oxford University Press.
- Stewart, T. R. (1988). Judgment Analysis: Procedures. In B. Brehmer (Eds.), C.R.B. Joyce (pp. 41-74). Amsterdam: Elsevier
- Taylor, C. (1989). *Sources of the Self*. Cambridge, MA: Harvard University Press.
- Taylor, C. (1992). Atomism. In S. Avineri & A. de-Shalit (Eds.), *Communitarianism and Individualism* (pp. 237). Oxford: Oxford University Press.
- Taylor, C. (1994). The Politics of Recognition. In A. Gutmann (Eds.), *Multiculturalism: Examining the Politics of Recognition* (pp. 175). Princeton: Princeton University Press.
- Tetlock, P. E., & Mitchell, G. (1993). Liberal and Conservative Approaches to Justice: Conflicting psychological portraits. In B. Mellers & J. Baron (Eds.), *Psychological Perspectives on Justice* (pp. 234-258). Cambridge:

Cambridge University Press.

Tornow, W. & De Muese (1994). The ties that bind have become very, very frayed. *Human Resource Planning*, v13(3), 203-213.

Triandis, H., Bontempo, R., Villareal, M., Asai, M. and Lucca, N., 1988 . Individualism and Collectivism: Cross Cultural Perspectives on Self-ingroup Relationships. *Journal of Personality and Social Psychology*, 54(2), 323-338.

Trice, H. M., & Beyer, J. M. (1993). *The Work Cultures of Organizations*. EnglewoodCliffs: Prentice Hall.

Tyler, T. R., & Lind, E. A. (1990). Intrinsic Versus Community-Based Justice Models:When Does Group Membership Matter? *Journal of Social Issues*, , 46(1), 83-94.

Victor, B., & Stepehns, C. U. (1994). The Dark Side of the New Organizational Forms: An Editorial Essay. *Organization Science*, , 5(4), 479-482.

Victor, B., & Stephens, C.U. (1994). Business Ethics: A Synthesis of Normative Philosophy and Empirical Social Science. *Business Ethics Quarterly*, 4(2), 145-155.

Wagner, J. A. I. (1995). Studies in Individual-Collectivism: Effects of Cooperation in Groups. *Academy of Management Journal*, 38(1), 152-172.

Waldron, J. (1993). *Liberal Rights*. Cambridge: Cambridge University Press.

Walzer, M. (1983). *Spheres of Justice*. New York: Basic Books.

Watson, G. W., & Shepard, J. M. (1995). The Dissaffected Professional in a Changing Contractual Environment. (in review).

Watson, G.W., Shepard, J.M., & Stephens, C.U. (1995). "Ideology and the Tenets of Micro Social Contracts," *National Academy of Management (Social Issues Division)*

Wilpert, B. 1995. Organizational Behavior. *Annual Review of Psychology*,

V46.

Wilson, J. Q. (1993). *The Moral Sense*. New York: The Free Press.

Weaver, G., & Trevino, L. K. (1994). Normative and Empirical Business Ethics: Separation, Marriage of Convenience, or Marriage of Necessity? *Business Ethics Quarterly*, , 4(2), 129-143.

Weiss, R. M., & Miller, L. E. (1988). Ideas, Interests, and the Social Science of Organizations. *Academy of Management Review*, , 13(3), 490-494.

Wilson, J. Q. (1993). *The Moral Sense*. New York: The Free Press.

Winer, B. J., Brown, D. R., & Michels, K. M. (1991). *Statistical Principles in Experimental Design* (3rd ed.). New York: McGraw-Hill Inc.

Young, I., 1991. *Justice and the Politics of Difference*. Princeton, NJ: Princeton University Press.

APPENDIX A
FRACTIONAL FACTORIAL DESIGN

Factorial Design

Fractional Factorial Design

Factors: 5 Design: 5,8 Resolution: III
Runs: 8 Replicates: 1 Fraction: 1/4
Blocks: none Center points: 0

Note

Some main effects are confounded with 2 way interactions

Design Generators: D= AB E=AC

DATA MATRIX

1	- - - + +
2	+ - - - -
3	- + - - +
4	+ + - + -
5	- - + + -
6	+ - + - +
7	- + + - -
8	+ + + + +

