



## **Influence of Managerial Trust on Survivors' Perceptions of Job Insecurity and Organizational Commitment in a Post Restructuring and Downsizing Environment**

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### **Abstract**

This study examined the impact of organizational restructuring and downsizing on survivors' perceptions of job insecurity, managerial trust and organizational commitment in public transit organizations. It studied, in addition, the relationship between managerial trust, perceptions of job insecurity and the organizational commitment environment. Job insecurity is assessed with measures of perceived threats to the total job, threats to job features, and the feeling of powerlessness or inability to control or prevent events that threaten the total job, job features and work situation. Using data from public transit organizations which have undergone restructuring and downsizing in the past decade, the study established relationships between perceived job insecurity, organizational commitment, and managerial trust. The results show that the impacts of an organizational restructuring and downsizing on perceptions of job insecurity and organizational commitment depended upon the type of organizational commitment and the source of job insecurity. The finding is that an organizational restructuring and downsizing increase continuance organizational commitment, reduce affective organizational commitment, and increase job insecurity. The results also show significant relationships between measures of managerial trust, perceptions of job insecurity and organizational commitment. Managerial and organizational implications of these findings are discussed.

### **Introduction**

Traditionally, job security has been associated with employment in public sector organizations because, for the most part, they have been considered insulated from the uncertainties and instability imposed on private sector firms by profit objectives and competitive forces of globalization. In fact, many who choose to work for and commit to public sector organizations, the government in particular, do so because it provides job security (Cimons, 1996; Romzack, 1985). Therefore, it is assumed they have high levels of perceived job security and subsequent organizational commitment.

Since the mid-1980s, however, publicly operated transit systems have been required by the Federal Transit Administration (FTA) to outsource parts of their operations to private sector firms. Initially, the outsourcing involved core areas of transit operations, particularly line haul services. Today, however, it includes such areas as maintenance and management information systems, areas that have involved layoffs and transfers of some employees to positions they deem less visible and less attractive (a change their job features). This unfamiliar experience of job losses and threats to job features raises issues of job insecurity and organizational commitment (Greenhalgh and Rosenblatt, 1984).



Private sector studies have reported perceptions of *job insecurity*, reduced levels of *organizational commitment*, lower productivity, *managerial trust*, and intention to *quit* as survivors' reactions to organizational restructuring and downsizing (Brockner 1988, 1987; 1992; Kets de Vries et al., 1997; Allen, Freeman, Russell and Rentz, 2001). Brockner, Tyler and Cooper-Schneider (1992) found stronger negative reactions from those who had a higher level of organizational commitment prior to downsizing as they felt unfairly treated by the process. Survivors' reactions to downsizing are not always negative. However, the general findings emerging from this body of research are that organizational consequences and survivors' reaction depend largely, on how the process and the aftermath are managed (Cascio, 1993; Brockner, 1990; Brockner, Grover and Blonder, 1988; Henkoff, 1994; Wanberg et al., 1999; Armstrong-Stassen, 1998). Also, unless organizations manage the negative consequences in a structured and deliberate way, long-term benefits of organizational restructuring and downsizing are unlikely to emerge (Cranfield School of Management, UK, 1998). Consequently, a number of theoretical models and ideas have been advanced on how to manage survivors' adverse reactions and negative organizational consequences of restructuring and downsizing.

For example, Gutknecht and Keys (1993) discuss the need to retrain survivors to better assume the workload and positions vacated by those laid off or terminated. Isabella (1989) pointed to the need for organizations involved in downsizing to be better prepared for the strong emotions, lengthy adjustments period, diminished morale, **trust** and lower productivity that are often experienced by the survivors. Mishra and Spreitzer (1998) argued that **trust** in management and perceived just implementation of the downsizing will reduce survivors' assessment of downsizing as a threat (perception of job insecurity) and, in turn, will lead to more cooperative responses. Here, it is argued that cooperative responses include organizational commitment and increased productivity as found by Emshoff (1994), Henoff (1994) and Isabella (1989). Brockner et al. (1997) found employees' trust in organizational authority to be a potent force in overcoming the otherwise adverse reaction that employees may exhibit to decisions yielding unfavorable outcomes (such as downsizing). Many of these models, because they are new, are yet to be sufficiently studied in a post restructuring and downsizing environment, particularly in the private sector.

The objective of this study, therefore, is to examine the impact of organizational restructuring and downsizing on survivors' perceptions of job insecurity, organizational commitment and managerial trust. It examines, in addition, the relationship between managerial trust building behaviors on perceptions of *job insecurity* and *organizational commitment* in public transit organizations which have undergone restructuring and downsizing in the past decade.

## Literature

**Job Insecurity:** Perhaps the most referenced conceptualization of job insecurity among survivors of downsizing is that offered by Greenhalgh and Rosenblatt (1984). They found that feelings or perception of job insecurity is a function of (1) perceived threat to one's total job or job feature and (2) the perception of powerlessness or not having control over events that threaten one's total job, job features or work situation. In a downsizing environment, this occurs in a number of ways. In one way, employees may perceive a threat to job features when they are reassigned to a lower level job position or to another job at the same organizational level but with a reduced job



scope or depth. In another way, employees may perceive a threat to their total job when some or all functions of a department or division are outsourced. In yet another, employees may perceive a threat to the total job when they are forced to consider an early retirement, modified service or a reduced work schedule. Along this same dimension, feelings of job insecurity may be induced when, as a result of restructuring, one's job autonomy, task variety and significance are diminished. Additionally, a threat to job features may take the form of a severely limited access to resources that were previously available in a job position. From this model, Brockner, Grover, Reed and Dewitt (1992) deduced that lay off survivors' level of job insecurity should be: (1) highest when the perceived threat to a job or job features is high and perceived power and control are low, (2) lowest when perceived threat is low and perceived power and control is high, and (3) moderate when both threat and control are high or both threat and control are low. Measures of job insecurity evaluated both dimensions of job insecurity: perception of a threat to job features or the total job and control or powerlessness to maintain desired continuity in a threatened job situation.

From the expectancy theory (Baruch, 1998) and the social exchange theory (Blau, 1964) employees often feel they provide service (input) to their organizations that should be reciprocated with certain organizational rewards (outcomes). Whitener, Brodt, Korsgaard, and Werner (1998) surmise that among the outcomes (rewards) an employer provides employees, is job security in return for employees' organizational commitment, loyalty and higher productivity and other desirable work behaviors. The social exchange transaction, however, does not involve an economic payoff but implicit rewards in the form of mutual commitment. This mutual reciprocity requires an employer to be committed to employees' job security in order to gain their organizational commitment in return (Baruch 1998, Eisenberger, Huntington, Hutchison and Sowa 1986, Eisenberger, Fasolo, and David-LaMastro, 1990). Furthermore, job security is an expectation implied in the *psychological contract* - the unwritten mutual obligation that exists between an employee and an employer. However, because it is voluntary, it is always possible for one party not to comply. This possibility limits the validity or the extent to which the parties are fully committed to the psychological contract, particularly in times when an organization is under competitive pressures to make changes (such as restructuring and downsizing) that threaten employees' perception of long-term job security (Sims, 1994).

A number of private sector studies have examined the organizational consequences of job insecurity. Greenhalgh (1982) and Cobb and Kasl (1977) found feelings of job insecurity to have negative impact on job performance. Taber, Walsh and Cook (1979) associated stress induced by perceived job insecurity with health problems that include somatic complaints, hypertension and other withdrawal responses. Ashford, Lee and Bobko (1989) found that job insecurity leads to such attitudinal reaction as intention to quit, reduced organizational commitment and satisfaction.

Thus it is hypothesized that:

H1: Survivors' perceptions of job insecurity (perceived threat to total job, job features and powerlessness) will be negatively related to organizational commitment.



**Organizational Commitment:** Organizational commitment, according to Meyer and Allen (1991), takes three forms: *affective*, *normative* and *continuance*. The first, *affective commitment*, results from one's affection for or an attachment to an organization; it shows one's strong desire to be identified with a particular organization. It is induced by an employee's emotional attachment to, identification with, and involvement in an organization for its own sake, primarily because of value congruency and a desire to see the organization succeed (Mowday, Steers & Porter, 1979; Porter & Smith, 1970; Hall, Schneider & Nygren, 1970). The second, *normative commitment* reflects an individual's generalized value of loyalty as a result of primary socialization in a culture which emphasizes loyalty to institutions, including an employment organization (Weiner, 1982). An employee with normative commitment feels obligated to remain with an organization despite better employment opportunities elsewhere. Since cultural value systems play a key role in normative commitment, it is more resistant to changes in work organization. It may a long time to change, or may not change at all. As a result, individuals with normative commitment may remain attached to an employment organization for a longer period of time. The third, *continuance commitment*, results from one's decision to remain employed in an organization because of personal investments (retirement benefits, seniority, etc.) one has made as a result of years of employment in an organization. It results also from perceived difficulty in finding a comparable job elsewhere. Continuance commitment also is often found among dual-career couples. Here, seeking employment in another location is often a difficult decision especially when the couple cannot find comparable jobs in a new location. An employee in such a situation would be committed to the present organization and staying in his current job because of the high personal and family cost of moving elsewhere.

Since each of these three types of organizational commitment affects work behavior and performance differently (Meyer et al., 1989), it is important, especially for managers, to know how each is affected by an organizational restructuring and downsizing. Brockner, Tyler and Cooper-Schneider (1992) suggest that we can predict an individual's reaction to an organizational restructuring based on the individual's prior level of organizational commitment. Additionally, they suggest that the prediction can also be based on prior attitudes from an encounter with the organization, and the value the individual places on relationships he has established in the organization. Furthermore, Brockner et al (1992) show that employees with prior feelings of loyalty (strong organizational commitment), are most troubled when they experience an unfair treatment by an organization.

### **Managerial Trust**

Trust between employees and management and employees is a valuable intangible asset in employee relations management. In fact, the roles and importance of trust have been recognized in employee and labor relations management literature. Muchinsky (1977) and Early (1986) found trust to have significant association with the effectiveness and quality of organizational communication. Employee citizenship and cooperative behaviors have also been significantly associated with trust (McAllister, 1995; Axelrod, 1984). Mayer, Davis and Schoorman (1995) attach trust to leadership effectiveness, teamwork, and labor relations

Whitener, Brodt, Korsgaard and Werner (1998) provide a three-facet definition of trust: First, it reflects an expectation or belief that another person or party will act benevolently.



Second, it involves willingness to assume the risk that the other person or party may not fulfill that expectation. Third, it involves dependency on another person or party. Robinson (1997) considers trust as an attitude held by one person or party (trustor) toward another person or party (trustee). In Whitener et al (1998) this attitude is derived from the trustor's perceptions, beliefs, and attributions about the trustee, based on the trustor's observation of the trustee's behavior. For there to be trust, Butler (1991) argues that the trustor must perceive the trustee to have competence, integrity and benevolence. Whitener et al (1998) also identified the characteristics of managerial trust as behavioral consistency, behavioral integrity, sharing and delegation of control, communication and demonstration of concern. Behavior consistency is the perception that the behavior of a trustee (manager) is predictable and reliable. Behavior integrity, according to Dasgupta (1998), is the belief that management tells the truth and keeps its promises to employees. Several studies lend support to the notion that employees' trust in management is influenced by their attributions about management's behavior integrity and consistency (Butler, 1991; Ring & Ven de Ven, 1992; Mayer, Davis & Schoorman, 1995). Sharing, and delegation of decision-making authority, is often seen by employees as an expression of the confidence, trust, and respect which management has in employees (Rosen and Jerdee 1977). Tyler and Lind (1992) found that employees seem to attach value to their involvement and being a part of the organizational decision-making process because it signifies how the organization values their contributions. According to Driscoll (1978), employees' trust in management is greater when they are content with the degree to which they are involved and participate in organizational decision-making processes and in the determination of their work roles.

Studies in organizational communication have identified accuracy of information, explanation of decisions and openness as three key attributes of employees' trust in management. O'Reilly (1977), O'Reilly and Robert (1974) found a strong association between employees' perception of managers' or supervisors' trustworthiness and accuracy of information that come from the manager or supervisor to employees. Also, open and a free-flow of information improve employees' trust (Butler, 1991). Other studies on employee trust building emphasize showing concern for employees' needs and interests, respecting their rights and apologizing to them for unpleasant consequences (Greenberg, 1993; Lind, 1997; Konovsky and Pugh, 1994). Because of the centrality of managerial trust to perceptions of job insecurity and organizational commitment, managerial trust building has been suggested as a strategy for mitigating perceptions of job insecurity and lowered organizational commitment, particularly managerial behavior integrity, consistency and concern for employees' welfare (Whitener, Brodt, Korsgaard, and Werner, 1998).

It is, therefore, hypothesized that:

***Hypothesis H2a: Managerial trust (behavior consistency, behavior integrity, and concern for employees' welfare) will be negatively related to survivors' feelings of job insecurity (perceived threat to job features, total job and feelings of powerlessness).***

***Hypothesis H2b: Managerial trust (behavior consistency, behavior integrity, and concern for employees' welfare) will be positively related to survivors' perceptions of power to control negative events that threaten their job and job situations.***





If this hypothesis is true, we would expect managerial trust building behaviors to have a positive influence on survivors' perceptions of job insecurity and levels of organizational commitment. At the heart of managerial behavior inconsistency and integrity, is the issue of whether or not management can be trusted at all. To maintain integrity with employees therefore, management must be believed and trusted through its actions. For example, it means that management tells the truth always, keeps its promises, or that employees are not disappointed when they rely on the decisions and actions of managers. Integrity builds trust, and a trusted employer can expect higher levels of productivity from employees. Similarly, a trusted employer is likely to have employees who are committed to the organization and are who willing to work to meet or exceed established organizational goals despite an anticipated organizational change. It is hypothesized, therefore, that:

***Hypothesis 3: Managerial (behavior consistency, behavior integrity and concern for employees' welfare), will be positively related to organizational commitment (Affective, normative and continuance).***

### **Sample, Data, Scales and Statistical Methods**

At the planning stage of this study, eight transit systems were invited to participate based on the author's knowledge of their involvement in outsourcing, restructuring and downsizing. In the letter of invitation, the objectives and motivation for the study were stated. Of the eight systems that were invited, five agreed to participate. Of the five that agreed, two are considered small, operating fewer than one hundred buses. One is considered to be medium size, operating 350 buses. The remaining two are among the largest in the United States. Both operate rail and bus services with more than 2000 vehicles in maximum service.

The study questionnaire was mailed directly to a cross-section of employees in the selected organizations. To ensure an adequate representation of each system in the study, the same percentage of total employees was selected from each system. Participants were provided prepaid return postage envelopes addressed to the research team. All were assured of the confidentiality of their responses.

Participants were surveyed about their perceptions of job insecurity, organizational commitment and trust building behaviors of their managers. The survey also solicited information on such demographic characteristics as gender, level of education, years of employment with present organization, marital status and age.

Overall, 700 questionnaires were distributed and 368 (53%) useable ones were returned. Of those who responded, 75% identified themselves as white, 58% as male, 42% as female and 46% as married. The average level of education was 3.14 years beyond high school and mean length of employment was 14.4 years.

*Scales:* The study used multiple measures to examine job insecurity and organizational commitment. These multiple measures make it possible to capture the many different aspects of job insecurity and organizational commitment and, analyzed separately, their relationships with management trust building behaviors. Four management trust building behaviors (behavior



consistency, behavior integrity, concern for employee welfare and communication of accurate information about the affairs of the organization) identified in organizational trust literature were used to assess managerial trust and its relationship with perceptions of job security and organizational commitment. To measure threats to the total job an eight-item scale was used (Ashford, Lee & Bobko, 1989).

To assess participants' perceptions of job insecurity, they were asked to express the likelihood of occurrence of events they perceive as threats to either their total job or features. Such events include rank reduction, a movement to another job at the same level, loss of job and permanent lay off. Others include losing a job or pressure to accept an early retirement, and fluctuations in work hours. Threats to job features were assessed with a twelve-item scale that asked employees to look into the future and indicate the likelihood that changes they oppose would occur and negatively affect some features of their jobs. These include the potential to advance in their organization, maintain current pay, receive pay increases, have freedom to schedule and do their work the way they see fit, have access to organizational resources, do a variety of tasks, feel job significance and have an opportunity to perform an entire task.

Perception of power and control were measured using a three-item scale from the work of Ashford, Lee and Bobko (1989), and Greenhalgh and Rosenblatt (1984). The statements in this scale include having enough power to control events that negatively affect one's job, having the ability to prevent negative events from affecting one's work situation, and understanding the organization well enough to control things that negatively affect one. Respondents were asked to express their agreements or disagreements with statements about their abilities to change events that may affect them and their jobs in their organizations.

The item statements for commitment are from Meyer, Allen and Smith (1993). Each type of commitment (i.e., affective, normative and continuance) is measured using a scale containing six statements. For affective commitment, the statements dealt with a sense of belonging to the organization, emotional attachment to the organization, willingness to spend the rest of one's career with the organization, the feeling that the organization's problems are those of the employees, the meaning the organization has for the employee, and a feeling of being a part of the organization. The continuance commitment statements included the feeling of having few alternative employments if one leaves the organization, the feeling that it is a necessity to remain with the organization, the difficulty of leaving, lifestyle disruption from leaving the organization, and too much investment in the organization to leave. Concerning normative commitment, some statements dealt with a feeling of an obligation to remain with the organization, and a feeling that leaving the organization is not right. Others dealt with loyalty, guilty feeling if one left, a feeling that one owes a lot to the organization, and a sense of obligation to the organization.

Managerial trust was assessed by a three-item scale that measured managerial behavior consistency, integrity and concern for employees' welfare. These scales were derived from earlier works on managerial trustworthy behaviors (Butler, 1991; Robinson & Rousseau, 1994; Graen & Uhl-Bien, 1995; Whitener, Brodt & Korsgaard, 1998). Behavior consistency scales dealt with employees' ability to predict the future behavior of management based upon past behavior, whether employees generally perceive past behavior of management as consistent, or whether employees can rely on every word of the organization. Behavior integrity is also



measured using a three-item scale that dealt with whether management tells the truth to employees in all situations, if it keeps its promises to employees, and if employees have been disappointed whenever they rely on what management says in all situations. [1] Concern for employees' welfare was assessed by the extent to which management considers employees' welfare and interest when making organizational decisions that may affect employees. Participants were to base their responses on a Likert scale.<sup>1</sup>

**Statistical Methods:** The statistical methods used in the analyses are Pearson correlation to assess the relationships between the scale items, and the measures. Cronbach's alphas were calculated to test for the reliability of the scales and used factor analysis to test the validity of the three measures of commitment and the three measures of job security. Here, the objective was to verify a three-factor solution for organizational commitment and job security respectively. If the factor analysis provided these solutions, then the measures were considered valid and reliable.

Tables B.1 in the appendix and Table 1 show the results of the factor analysis. They verify the mutual exclusivity of the job security measures, threats to the total job, and threats to job features using confirmatory factor analysis with orthogonal rotation. This factor analysis does not include the feeling of powerlessness since it uses a different

**Table 1**  
**Factor Analysis of Trust-Building Behavior**

<b>Behavior consistency</b>	Mean	Std. Dev.	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
	3.11	1.26	0.12	0.05	0.08	<b>0.66</b>	0.07
1. Based upon the past decision of management of this organization I am able to predict what management will do in the future.			0.22	0.13	0.19	<b>0.72</b>	0.13
2. Since my employment in this organization management, behavior and decisions have been consistent.	2.75	1.23	<b>0.54</b>	0.40	0.12	0.45	0.37
3. I can always rely on every word of management of this organization.	2.14	1.08					
<b>Behavior integrity</b>	2.25		<b>0.64</b>	0.33	0.33	0.30	0.24
4. In this organization, management seeks the inputs of employees when making decisions that affect employees.		1.10					





			<b>0.77</b>	0.15	0.39	0.25	0.24
5. In this organization, management makes a great deal of effort to involve employees in all aspects of the decision-making process.	2.35	1.10					
			<b>0.66</b>	0.30	0.26	0.32	0.23
6. Whenever possible, management delegates decision-making authority to employees.	2.15	1.02					
<b>Sharing and delegation of authority</b>							
			0.21	<b>0.75</b>	0.32	0.24	0.26
7. In this organization, management seeks the inputs of employees when making decisions that affect employees.	2.52	1.21					
			0.28	<b>0.70</b>	0.28	0.05	0.28
8. In this organization, management makes a great deal of effort to involve employees in all aspects of the decision-making process.	2.29	0.99					
			0.40	0.36	0.11	0.05	<b>0.46</b>
9. Whenever possible, management delegates decision-making authority to employees.	2.56	1.07					
<b>Demonstration of concern</b>							
	2.58		0.35	<b>0.48</b>	0.40	0.44	0.40
10. The management of this organization is always sensitive to the interests of employees when making critical decisions.		1.05					
			0.29	0.47	0.27	0.30	<b>0.68</b>
11. In this organization, management gives employees' welfare high priority.	2.84	1.13					
			0.30	0.33	<b>0.55</b>	0.25	0.45
12. In all situations, management takes the extra step to protect the interests of employees.	2.47	1.01					
<b>Communication</b>							



			0.23	0.32	<b>0.75</b>	0.15	0.12
13. The management of this organization provides employees with accurate information about the affair of the organization.	2.92	1.20					
			0.36	0.15	<b>0.50</b>	0.18	0.24
14. The management makes an effort always to explain major organizational decisions to employees.	2.92	1.07					
			0.29	0.28	0.37	0.20	<b>0.50</b>
15. The management of this organization freely shares ideas with employees.	2.56	1.00					

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Likert scale. From the factor analysis results, job threats and threats to job features are independent so they cannot be added to obtain a single measure of job security. Table 1 confirms the distinction among the three measures of commitment using a three-factor solution. Normative commitment loads heavily on factor one, while affective and continuance commitments load heavily on factors two and three respectively. Given these three distinct factors, the scale items can be added to obtain a separate composite score for affective, continuance or normative commitment. Alternatively, a mean score for each type of commitment was calculated but not an overall mean for commitment, and all of the items in the three measures cannot be added to obtain a composite score for commitment.

## Results

Table 1 presents the results of factor analysis for the measures of managerial trust, including the mean and standard deviation of responses to the scales that measure it. A mean score of less than 3 shows that respondents, on the average, disagree with a statement. Of the 15 statements that measured the construct of managerial trust, all but the first statement (Based upon the past decision of the management of this organization, I am able to predict what management will do in the future) have mean scores of less than three. Even that, a mean score of 3.11, is so close to a neutral stance (score of 3) that we cannot conclude that management's decisions in these organizations are perceived to be consistent. The mean score of the measures of behavior integrity, sharing and delegation of authority, demonstration of concern for employees and communication are all below 3. Consequently, we can conclude that in the organizations that participated in this study, employees do not trust their managers. Also, the relatively low standard deviations show that respondents were consistent in their responses.

Table 2 presents the results of analysis of measures of perceptions of threat to job features. Here, low score (less than 3) indicates a disagreement with a statement – low or no perceived threat to job features. As the table shows, the mean responses to all but question 8 (sense of community in working with coworkers) are less than 3, indicating low or no perceived threat to job features. However, because question 8 has a mean response of 3.012, it could be



inferred that respondents expect to lose some of their coworkers as a result of further downsizing or restructuring. The alpha values are high, indicating that the measures are reliable. The low standard deviations also indicate that participants were consistent in their responses.

The results of analysis of threat to the total job and perception of powerlessness to maintain desired continuity in a threatened job situation are presented in Table 3. As the table shows, none of the eight statements that assessed perceived threat to total job has a mean response of 3 or higher, indicating a very low to no perceived threat to total job. Of the three statements that assessed powerlessness, two indicate participants' lack of power to control events that may negatively affect their jobs and job situations. The third one shows feeling of indifference. The general conclusion is that there is a general perception of lack of power among the respondents.

Table 4 presents the results of analysis measures of organizational commitment. The mean responses to affective commitment measures (questions 1 – 6) were higher than 3 except question 2 (I really feel as if this organization's problems are my own) which has a mean response of 2.618. Respondents expressed the desire to remain attached to the organization and feel they are a part of the family of the organization. They expressed the desire to spend the rest of their working lives with the organization (low or no intention to quit). Responses to three of the six statements that assessed continuance commitment revealed some sense of continuance commitment among the study participants. They cited disruption of personal life and difficulty in leaving the organization even if they want to as reasons for staying with the organization. However, they do not cite lack of job alternatives as a reason for staying with their present organization and jobs. As shown in the cases of threat to job features, total, powerlessness, and managerial trust discussed above, the relatively low standards of deviations indicate consistency of the responses here.

**Table 2**

**Job Insecurity: Threats to job features ( $\alpha = 0.8863$ )**

Looking into the future, what is the likelihood that changes that you oppose to could occur and <i>Negatively</i> each of the following features of your current job?																
Correlations																
Statements	M	St	Al	1	2	3	4	5	6	7	8	9	10	11	12	
	ea	d.	ph													
	n	de	a													
		v.														
1. Your potential	2.	0.	0.	1.												
to go ahead in your	79	96	89	00												
organization.	3	6	1	0												



2. Your potential to maintain your current pay.	2. 62 1 4 0 88 3 0 7 1 13 7 0 0 0	(0. 20 )	(0. 00 )				
3. Your potential to attain pay increases	2. 98 1 9 1. 17 6 0. 88 6 0. 29 5 0. 60 5 1. 00 0	(0. 01 )	(0. 00 )				
4. The status that comes with your position in the organization.	2. 98 9 0. 90 8 0. 87 0 0. 43 1 0. 43 8 0. 46 0 1. 00 0	(0. 00 )	(0. 00 )	(0. 00 )	(0. 00 )		
5. Your current freedom to schedule your own work.	2. 77 0 0. 97 3 0. 88 0 0. 15 9 0. 19 1 0. 03 8 0. 52 8 1. 00 0	(0. 16 )	(0. 08 )	(0. 72 )	(0. 00 )	(0. 00 )	
6. Your current freedom to perform your work in a manner you see fit.	2. 82 8 1. 00 2 0. 87 5 0. 26 3 0. 22 4 0. 08 7 0. 52 0 0. 84 1 1. 00 0	(0. 01 )	(0. 04 )	(0. 42 )	(0. 00 )	(0. 00 )	(0. 00 )
7. Your current access to resources (people, materials, information) in the organization.	2. 88 5 0. 94 5 0. 87 4 0. 19 8 0. 41 8 0. 31 3 0. 47 7 0. 37 6 0. 51 9 1. 00 0	(0. 07 )	(0. 00 )	(0. 00 )	(0. 00 )	(0. 00 )	(0. 00 )



8. Your sense of community in working with coworkers.	3.01	0.93	0.87	0.19	0.37	0.28	0.40	0.17	0.31	0.63	1.00				
	2	9	9	5	5	7	2	2	9	5	0				
				(0.07	(0.00	(0.01	(0.00	(0.11	(0.00	(0.00	(0.00				
				)	)	)	)	)	)	)	)				
9. The variety of tasks you perform.	2.95	0.93	0.87	0.33	0.33	0.29	0.50	0.47	0.52	0.40	0.41	1.00			
	4	2	4	0	6	9	9	5	9	3	7	0			
				(0.00	(0.00	(0.01	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00			
				)	)	)	)	)	)	)	)	)			
10. The opportunity to do an entire piece of work from start to finish.	2.93	0.98	0.87	0.19	0.21	0.36	0.52	0.39	0.37	0.42	0.32	0.53	1.00		
	0	0	9	5	8	6	1	7	8	0	1	8	0		
				(0.07	(0.04	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00		
				)	)	)	)	)	)	)	)	)	)		
11. The significance of your job.	2.97	0.98	0.86	0.33	0.52	0.43	0.59	0.50	0.61	0.59	0.51	0.69	0.54	1.00	
	7	2	4		5	7	1	7	5	1	1	3	9	0	
				(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	
				)	)	)	)	)	)	)	)	)	)	)	
12. The extent to which you can tell how well you are doing your job as you do it.	2.93	0.95	0.87	0.25	0.31	0.27	0.54	0.49	0.64	0.55	0.48	0.49	0.29	0.67	1.00
	0	5	3	0	0	0	8	7	9	0	6	8	6	5	0
				(0.02	(0.00	(0.01	(0.00	(0.00	(0.00	(0.00	(0.00	(0.00	(0.01	(0.00	(0.00
				)	)	)	)	)	)	)	)	)	)	)	)

The probabilities are in the parentheses.





Table 3  
**Job Insecurity: Perceived and Severity of Threats to Total Job and Powerlessness ( $\alpha = 0.873$ )**

Looking into the future, what is the likelihood that changes that you oppose could occur and negatively affect each of the following aspects or features of your current job?												
Severity of threats to one's job	Mean	Std. dev.	Alpha	1	2	3	Correlations	4	5	6	7	8
1. Lose your job and be moved to a lower level within the organization	2.0787	1.0597	0.8287	1.0000								
2. Lose your job and be moved to another job at the same level.	2.2584	1.1534	0.8424	0.6445	1.0000							
				(0.0001)	(0.0000)							



3. Find that the number of hours the company can offer you to work fluctuates from day to day.	2.2022	1.1888	0.8573	0.1860	0.2921	1.0000				
				(0.0809)	(0.0053)	(0.0000)				
4. Lose your job and be laid off for a while.	1.8539	1.1032	0.8056	0.4872	0.3694	0.3261	1.0000			
				(0.0001)	(0.0004)	(0.0018)	(0.0000)			
5. Lose your job and be laid off permanently.	1.7640	1.0662	0.8094	0.4600	0.3000	0.3250	0.8881	1.0000		
				(0.0001)	(0.0043)	(0.0019)	(0.0001)	(0.0000)		
6. Find your department and division's future uncertain.	2.2697	1.0741	0.8292	0.4812	0.3933	0.3484	0.5994	0.5325	1.0000	
				(0.0001)	(0.0001)	(0.0008)	(0.0001)	(0.0001)	(0.0000)	
7. Lose your job and be fired.	1.8427	1.1271	0.8271	0.4013	0.2065	0.2276	0.6576	0.6873	0.3264	1.0000
				(0.0001)	(0.0022)	(0.0020)	(0.0001)	(0.0001)	(0.0018)	(0.0000)



8. Lose your job by being pressured to accept an early retirement.	1.9663	1.1226	0.8402	0.3181	0.2701	0.2181	0.4456	0.4775	0.2809	0.5346	1.0000
				(0.00240	(0.0105)	(0.0401)	(0.0001)	(0.0001)	(0.0077)	(0.0001)	(0.0000)

**Please indicate your degree of agreement or disagreement with each of the following statements about your ability to change events that may affect you and your job in your organization.**

<b>Power</b>	<b>9</b>	<b>10</b>	<b>11</b>
9. I have enough power in this organization to control events that affect my job.	2.2449	1.0661	0.5857
			1.0000
10. In this organization, I can prevent negative things from affecting my work situation.	2.7079	1.0575	0.5660
			0.2488
			(0.0187)
			1.0000



11. I understand this organization well enough to be able to control things that affect me.	3.0225	0.9997	0.3985	0.3956 (0.0001)	0.4147 (0.0001)	1.0000 (0.000)
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**Table 4**  
**Organizational Commitment**

Correlation							1	2	3	4	5	6
Affective Commitment ( $\alpha = 0.8877$ )	Mean	Std. Dev	Alpha	Factor 1	Factor 2	Factor 3						
1. I would be very happy to spend the rest of my career with this organization.	3.7528	1.1209	0.8750	0.2721	0.6776	0.2996	1.0000					
							(0.0001)					



2. I really feel as if this organization's problems are my own.	2.61 80	1.17 27	0.88 49	0.39 22	0.57 03	- 0.11 70	0.39 42	1.00 00				
							(0.00 01)	(0.00 00)				
3. I feel a sense of belonging to my organization.	3.38 20	1.16 29	0.85 80	0.31 88	0.78 45	0.02 21	0.55 27	0.51 65	1.00 00			
							(0.00 01)	(0.00 01)	(0.00 01)			
4. I feel emotionally attached to this organization.	3.24 72	1.21 81	0.86 32	0.22 37	0.81 08	- 0.01 45	0.48 64	0.56 81	0.67 06	1.00 00		
							(0.00 01)	(0.00 01)	(0.00 01)	(0.00 00)		
5. I feel like I am a part of the family at my organization.	3.28 89	1.17 73	0.86 08	0.16 93	0.85 40	- 0.10 57	0.56 99	0.47 37	0.72 58	0.65 63	1.00 00	
							(0.00 01)	(0.00 01)	(0.00 01)	(0.00 01)	(0.00 00)	
6. This organization has a great deal of personal meaning for me.	3.09 00	1.18 36	0.86 54	0.55 20	0.60 69	0.07 83	0.68 50	0.50 81	0.58 57	0.55 98	0.56 88	1.00 00
							(0.00 01)	(0.00 01)	(0.00 01)	(0.00 01)	(0.00 01)	(0.00 00)





**Continu  
ance  
Commit  
ment ( $\alpha$   
=  
0.7770)**

**7 8 9 10 11 12**

7. Right now staying in this organization is a matter of necessity as much as I desire.

3.74	1.02	0.76	0.17	0.05	0.57	1.00
16	83	48	58	38	57	00
						(0.00 00)

8. It would be very hard for me to leave my organization right now, even if I wanted to.

3.34	1.25	0.72	0.50	0.17	0.57	0.40	1.00
83	23	71	00	53	93	57	00
						(0.00 01)	(0.00 00)

9. Too much of my life would be disrupted if I decided I wanted to leave my organization at this time.

3.29	1.28	0.72	0.50	0.10	0.60	0.39	0.80	1.00
21	10	11	70	73	81	44	66	00
						(0.00 01)	(0.00 01)	(0.00 00)



10. I feel that I have too few options to consider leaving my organization.	2.85 23	1.18 94	0.73 71	- 0.10	- 0.02	0.80 06	0.27 76	0.23 38	0.29 15	1.00 00
				93	35		(0.00 88)	(0.00 01)	(0.00 59)	(0.00 00)

**Table 4 (Continued)**

Continuance Commitment	Mean	Std. Dev.	Alpha	Factor 1	Factor 2	Factor 3	Correlations					
							7	8	9	10	11	12
11. If I had not put so much of myself into this organization, I might consider working elsewhere.	2.8 182	1.1 095	0.7 593	- 0.0	- 0.0	0.65 17	0.07 72	0.31 89	0.33 67	0.51 95	1.00 00	
				082	576		(0.4 749)	(0.0 025)	(0.0 013)	(0.0 001)	(0.0 000)	
12. One of the few negative consequences of leaving my organization would be the scarcity of available alternatives.	2.7 614	1.0 827	0.7 473	- 0.2	- 0.0	0.78 93	0.37 56	0.22 25	0.22 40	0.64 17	0.36 54	1.00 00
				296	620		(0.0 003)	(0.0 372)	(0.0 359)	(0.0 001)	(0.0 001)	(0.0 000)



Normative Commitment ( $\alpha = 0.8842$ )							13	14	15	16	17	18
13. I feel an obligation to remain with my current employer.	2.9 951	1.1 862	0.8 905	0.5 318	0.3 517	0.01 105	1.00 00  (0.0 000)					
14. Even if it were to my advantage, I do not feel it would be right to leave my organization now.	2.5 169	1.0 987	0.8 612	0.7 978	0.1 572	0.02 43	0.41 04  (0.0 001)	1.00 00  (0.0 000)				
15. I would feel guilty if I left my organization now.	2.3 034	1.1 619	0.8 524	0.8 123	0.2 105	0.06 10	0.46 35  (0.0 001)	0.66 80  (0.0 001)	1.00 00  (0.0 001)			
16. This organization deserves my loyalty.	2.9 888	1.2 107	0.8 618	0.7 173	0.3 902	- 0.10 99	0.48 23  (0.0 001)	0.52 55  (0.0 001)	0.62 45  (0.0 001)	1.00 00  (0.0 001)		
17. I would not leave my organization right now because I have a sense of obligation to the people in it.	2.6 966	1.2 469	0.8 487	0.7 635	0.3 570	- 0.00 51	0.44 40  (0.0 001)	0.62 35  (0.0 001)	0.73 10  (0.0 001)	0.70 53  (0.0 001)	1.00 00  (0.0 001)	



18. I owe a great deal to my organization .	2.7 416	1.2 016	0.8 674	0.6 395	0.3 528	0.13 54	0.40 63	0.66 18	0.56 14	0.50 57	0.60 70	1.00 00
							(0.0 001)	(0.0 001)	(0.0 001)	(0.0 001)	(0.0 001)	(0.0 001)

The probabilities are in the parentheses.

Table 5 presents the results of tests of hypotheses 1, 2a, 2b and 3. As shown in the table, perceptions of threat to the total job have significant negative association with managerial trust. This inverse relationship shows that high level of trust in management lowers the perceived threat to total job. Thus, hypothesis 1 is confirmed and accepted.

Hypotheses 2a and 2b are confirmed by the negative and significant relationship between behavior consistency and threats to job features, and by the positive relationship between behavior consistency and the perception of having power. The correlations for these relationships are -0.27 ( $p < 0.0115$ ) and 0.31 ( $p < 0.0036$ ) respectively. These correlations are similar to those between behavior integrity and the same measures of perceived job insecurity. Therefore, perceived job insecurity as measured by threats to job features and the feeling of powerlessness may be influenced by managerial behavior consistency and integrity.

In the same way, these two behaviors have significant positive associations with affective and normative commitments, thus confirming Hypothesis 3. However, they are not associated with continuance commitment. This is not considered an important or a significant phenomenon because as shown in earlier studies, continuance commitment is not associated with desirable work habits and in fact has been negatively associated with performance (Meyer and Allen, 1991; Meyer, Stanley, Herscovitch and Topolnysky, 2002).

**Table 5**  
**Descriptive statistics and correlations between Managerial Trust,**  
**Job Insecurity and Organizational Commitment**

Variables	Mean	Std. Dev	Alpha	2	3	4	5	6	7	8	9	10	11	12
Trust Building														
1. Concern	2.63	0.98	0.92	0.8*	0.77*	0.78*	0.66*	-0.32*	-0.05	0.43*	0.58*	0.50*	0.20**	-0.25**
2. Delegation	2.46	0.94	0.82	1	0.66*	0.69*	0.51*	-0.22**	0.11	0.38*	0.50*	0.49*	0.15	-0.34*
3. Communication	2.80	0.88	0.73		1	0.71*	0.50*	-0.24*	0.11	0.41*	0.51*	0.37*	0.14	-0.18
4. Integrity	2.25	0.99	0.91			1	0.67*	-0.20**	-0.12	0.38*	0.52*	0.49*	0.24**	-0.23**
5. Consistency	2.66	0.95	0.74				1	-0.27**	-0.13	0.31*	0.38*	0.36*	0.23**	-0.20**
Job Insecurity														



6. Threats to total job	2.87	0.66	0.88	1	0.33*	-0.15	-0.37*	-0.15	0.09	0.09
7. Threats to job features	2.03	0.78	0.89		1	0.06	-0.38*	0.07	0.14	0.12
8. Feeling of having power	2.73	0.78	0.86			1	0.47*	0.32*	0.25**	-0.25**
<b>Organizational Commitment</b>										
9. Affective commitment	3.23	0.94	0.87				1	0.39*	0.33*	-0.08
10. Normative commitment	2.70	0.94	0.88					1	0.44*	-0.07
11. Continuance (personal investment)	3.47	1.00	0.78						1	0.39*
12. Continuance (lack of job alternatives)	2.80	0.93	0.76							1

\* Significant at 0.01 level. \*\* Significant at 0.05 level. \*\*\* Significant at 0.10 level. Correlations are above the diagonals.

The associations between the trust building strategies and job security concerning feelings of having power and reduced job threats are another confirmation of Hypothesis 1. Higher levels of trust: behavior consistency, behavior integrity, delegation of authority, demonstration of concern, and communication are associated with feelings of having power, and reduced threats to the total job, and increased levels of normative commitment and affective commitment. However, the test results are mixed regarding continuance commitment. Behavior consistency and behavior integrity are associated with lower levels of continuance commitment from perceived lack of job options if one left an organization, and positively related to continuance commitment from perceived personal investments in an organization that make it hard to leave. Additionally, this latter type of continuance commitment is negatively associated with delegation of authority, and demonstration of concern, while the former type is positively associated with demonstration of concern.

## Discussion and Conclusion

Organizations undertake restructuring and downsizing to improve efficiency and competitiveness. To accomplish these objectives, these organizations need the commitment, creativity and the motivation of high performing survivors. A number of studies have documented evidence that lower levels of organizational commitment, perceptions of job insecurity, feelings of helplessness, and intention to quit have detrimental consequences for survivors' work attitudes, motivation and performance (Brockner, 1988; Kozlowski et al., 1993; Cascio, 1993). What is more, unless these are managed in structured and deliberate ways, they will prevent organizations from realizing the intended benefits of restructuring and downsizing (Cranfield School of Management, U.K., 1998).





The results of this study highlight the relationship between managerial trust, perceptions of job insecurity and organizational commitment. These relationships suggest a role for managerial trust building behavior in shaping survivors' reactions, work attitudes and behavior following downsizing. Brockner et al. (1997) found employees' trust in organization authority (management) to be a potent force in overcoming the otherwise adverse reactions that employees may exhibit in reaction to organizational decisions yielding unfavorable outcomes. Mishra and Spreitzer (1998) in their model of survivors' responses to downsizing argued that survivors' trust in management reduces survivors' assessment of downsizing as a threat, thereby facilitating cooperative responses to downsizing.

A concern of organizations that have restructured and downsized is the intention to quit among high performance survivors. The affective commitment of these survivors is needed if the organization is to realize the objectives of restructuring and downsizing. Bedeian and Armenakis (1998) warn that in "declining organizations, downsizing can lead to the departure of well-qualified employees that if unchecked, can accelerate the decline" (p. 58). They go on to say that in declining organizations the possibility exists that when well-qualified and more productive employees leave, the less qualified will rise to the top to assume leadership roles and accentuate the decline. By implication, the commitment of well-qualified and productive survivors is a valuable intangible organizational asset in a downsizing environment. Therefore the finding of significant positive relationships between measures of managerial trust and affective commitment is an indication that managerial trust is a key element in the retention of high performing survivors. This finding is supported by Allen et al. (2001) who found that, with time, satisfaction with top management and with job security are significantly related with organizational commitment and turnover intentions. Similarly, Spreitzer and Mishra (2002) found trustworthiness of management to facilitate organizational attachment among survivors of downsizing.

The finding that survivors of organizational restructuring and downsizing in public transit organizations do feel their jobs are threatened could be attributed to their knowledge of the protection afforded them by the Section 13(c) of the Federal Transit Act. This section protects employees of transit systems that receive federal government subsidies from the worsening of their employment situations, thus ensuring some a job security. Additionally, most of the public transit organizations are unionized, and like many unions, their contract includes job security clause. This may be a false sense of security because experience has shown that neither the section 13(c) of the Federal Transit Act nor the collective bargaining process totally prohibit outsourcing and consequent restructuring and downsizing (Luger and Goldstein, 1989). The fact that respondents expressed lack of ability and power to prevent events that may negatively affect their jobs and work situations is, perhaps, an acknowledgment of this reality.

However, the finding of significant relationships between managerial trust building behaviors (behavior integrity and consistency) and perceptions of job insecurity suggests that perceptions of job insecurity, affective and normative commitment could be managed or influenced by managerial trust building behaviors. For the public transit manager therefore, a proactionary decision must be made regarding how to develop management interventions to mitigate negative organizational and personal consequences of job insecurity, eroded trust and employees' affective organizational commitment in particular. An approach would be to



implement the managerial trust building behaviors associated with organizational commitment and those that alleviate perceptions of job insecurity. Similarly, perception of power to control events that may negatively affect jobs and work situations may be improved by managerial behavior consistency, integrity and employee empowerment practices. The same can be applied to the case of threats to total job or job features.

### Implications for Management and Union Relations

Employee and management relations in union and nonunion environments involve transaction and exchange of desirable work behaviors for certain organizational outcomes. In this regard, the model of managerial trust building behaviors and trustworthiness utilized in this study would have similar implications for union and nonunion organizational environments. While this study does not address union organizational contextual variables, there are dimensions of the model that would be particularly helpful in managing union and management relations.

Lack of trust between management and labor is often cited as one of the causes of the failure of management and labor to work through labor relation problems to satisfactory solutions. It is also cited as a reason for the adversarial relationship that currently exists between management and labor. According to Gray, Myers and Myers (1999) this adversarial relationship based on managerial authority and union acquiescence, creates an environment characterized by hostility and distrust.

Organizational effectiveness and the “new paradigm” of a productive management and labor relations, however, call for an organizational environment characterized by cooperation and mutual trust between labor and management. To this end, the guiding principles for improving labor and management relations adopted by the Collective Bargaining Forum in 1988 called for involvement of unions as partners with management in the strategic decision-making process and in a continuing effort to improve organizational competitiveness. Additionally, it called for management to recognize and accept the legitimacy of unions, provide greater roles for workers and union participation in the organizational decision-making process, and accept workers’ concern regarding job security and continuity of employment as major strategic objectives. Most important of all perhaps, these guiding principles called on labor to cooperate with management in working toward the economic success of the enterprise and for labor-management relations that are based on mutual respect and **trust** (Compact for Change, U.S. Department of Labor, 1991). Similarly, the Collective Bargaining Forum and the Dunlop Commission whose members include representative from AFL-CIO and corporate executives underscored the centrality of trust in the creation a productive organizational work environment with union presence when they suggested a change of mindset about labor and management relations from the traditional adversarial relationship to one that is based on strategic partnership characterized by **trust, open and honest communication, collaborative decision-making and responsibility** (Kockan and Kartz, 1986; Bluestone and Blustone, 1991). The prospects for this type strategic partnership alliance in the workplace of the future, however, appears limited in most unionized setting for the near term, at least. Less than half of the collective agreements have any cooperation clause or any intent to cooperate. In addition, only 27 percent of the agreement explicitly refer to cooperation between the two parties” to date, cooperation between labor and management remain, for the most part, an elusive goal. In some settings,



management's efforts to empower employees through participation in work-related decisions have been resisted by unions because such efforts were considered as management's attempt to discourage the continuing unionization of the workplace (Gray, Myers and Myers, 1999).

In this context, the model of managerial trust based on behavior consistency, integrity, sharing and delegation of decision-making authority, demonstration of concern for employee welfare and open communication have significant implication for improved labor and management relations. Managerial behavior integrity, for example, calls for consistency between what management says and does. As noted in the literature review section, managerial behavior consistency facilitates employees' trust because it improves their ability to predict management's action and reduces the risk associated with their willingness to be vulnerable to the actions and decisions of management.

Additionally, telling the truth and keeping promises reduce the propensity of unions and their membership to be suspicious of management's actions and decisions. Similarly, when unions and their members can count on management to be consistent, it reduces the risk they assumed when they rely on management's communication about issues that relate to employment or job security and other benefits.

The sharing and delegation of control dimension of the managerial trust model used in this study supports the "new paradigm" of labor and management relations proposed by the Collective Bargaining Forum and the Dunlop Commission. For example, involvement of unions and their membership in decision-making gives them some control and an opportunity to protect their interest. Additionally, it gives unions a sense of partnership (which is also called for in the new labor and management relations paradigm) and facilitates *trust* because it, again, reduces the risk of opportunism on the part of management and increases the likelihood of favorable outcomes for employees (Whitener et. al., 1998). This type of an environment is particularly important during contract negotiations because it discourages unions and management from being overly protective of their vulnerabilities.

Another component of the model of managerial trustworthiness used here is demonstration of concern for employee's welfare. According to Mishra (1996) and Mcallister (1995), it consists of three behaviors: (1) showing consideration and sensitivity for employees' needs and interest, (2) acting in a way that protects employees' interest and (3) refraining from exploiting other for the benefit of one's own interest. A major problem in labor and management relations today is cynicism. Over the years, labor unions have justified their continuing relevance with the argument that without their presence, management will risk employees' welfare for selfish economic gains. Therefore, it cannot be trusted to management, especially during difficult economic times. From the results of this study, management could respond to this argument by committing itself to behaviors and actions directed at the enhancement of employees' welfare. Such behavior and actions, if perceived credible and consistent would have the potential to dissipate the cloud of cynicism that hovers over labor and management relations as a result of lack of trust between management and labor.

Finally, the model of managerial trust used here calls for communication that is open accurate and provides explanation of managerial decisions, particularly those that affect



employees' welfare and other labor relation issues. The emphasis here should be on sharing and exchange of ideas as partners (Whitener et. al., 1998).

### **Contributions**

This study contributes to the emerging stream of research on survivors' reaction to restructuring and downsizing. Specifically, it provides empirical data to support theoretical models that identified managerial trust as a management construct that facilitates survivors' positive response to downsizing (Mishra and Spreitzer, 1998). Also, it focused on the public sector organizations which have not received as much attention as private sector organizations. The findings of this study should be of interest to organizations that are concerned about the intention to quit among high performing survivors. Facilitating survivors' affective commitment in a downsizing environment is particularly important because evidence from prior research identified reduced level of affective organization commitment as a major contributor to survivor intention to leave downsizing environments to search for better employment opportunities in more stable and non-threatening work situations. A study, mentioned earlier, by Cranfield School of Management on the impact of downsizing on survivors concluded that the challenge for Human resource specialists and for drivers of downsizing is to win survivors' longer-term commitment in a hostile and uncertain environment. Similarly, Brockner (1995) stated that the goal of the research on organizational restructuring and downsizing is to enhance and facilitate the management of the process in ways that optimize outcomes for both the survivors and organizations. This study, I submit, contributes to this goal.

### **Study Limitation**

A potential limitation of this study is that it did not consider the possible moderating effects of the presence of time lapse and unions. However, a number of studies have examined the personal and organizational consequences of downsizing in union environments. Hellgen and Sverka (2001) examined unionized employees' perceptions of role stress and fairness during downsizing. Their results showed active union participation during the downsizing process had beneficial consequences for union members' attitude and wellbeing. In this study, active role of union during the process gave members some assurance that their welfare and interest are being considered during the process of downsizing. In the study reported here, concern for employees' welfare during restructuring and downsizing was accounted for in the measures of the managerial trust construct. Wager (2001) studies consequences of workforce reduction on bargaining unit employees (unionized) and nonunion employees. The results from both samples indicated significant relationship between downsizing and poorer performance, lower overall employee satisfaction, less favorable labor-management relations, labor climate, grievance rate, absenteeism and poorer relations between union members and their managers. Similarly, Armstrong-Stanssen (1998; 2002) examined the impact of downsizing on managers of a federal government department and reported a significant decrease in job performance, organizational morale, trust and commitment. Perceived threat of job loss was initially high but declined while organizational trust and morale stabilized with time. Two studies (Allen et al., 2001; Armstrong-Stanssen, 2002) examined the moderating effects of time on survivors' reactions. Both studies reported significant decline in work attitude and behaviors initially; however, modest improvement in perceptions of job insecurity, organizational commitment morale and work



behaviors were observed over time. None mentioned any organization interventions that have contributed to the modest improvements observed. Despite the improvement, Armstrong concluded that the impacts of restructuring or downsizing tend to last a long time. From the results of these studies, it is safe to conclude that the consequences of restructuring on survivors and their reactions to them are not significantly different among union, nonunion, private and public sector environments.

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[1] Again, participants were to base their responses for threats to the total job and job features upon the following Likert scale: 1 - very unlikely, 2 - unlikely, 3 - neither likely nor unlikely, 4 - likely, and 5 - very likely. The Likert scales for the feeling of having power, organizational commitment, and management behavior strategies are, 1 - strongly disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - agree, and 5 - strongly agree. In the survey, some affective commitment statements were reverse coded to test the consistency of the responses. These statements were coded back to their original forms for the analyses. For reassurance employees based their responses on the scale following: 1 - very unimportant, 2 - unimportant, 3 - neither important nor unimportant, 4 - important, and 5 - very important.