The Impact of Human Resource Practices on Low-income Workers in the Context of a Natural Disaster

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ABSTRACT

A team of four researchers interviewed fifty-two displaced employees from Hurricanes Katrina and Rita about the human resource practices of their organizations before and after the hurricanes, attitudes toward their employers, as well as their perceptions of organizational justice, trust and commitment. Using traditional qualitative analytic methods, a team of four researchers found strong, consistent relationships between variables. Findings suggest that organizations may benefit from treating all employees, including low-income employees, as valuable human capital so that employees may feel more committed to helping the organization rebuild after a disaster.

Introduction

The hurricanes that ripped through the Gulf of Mexico in 2005 exposed a number of problems with the community's ability to cope with such disasters. One aspect of the disasters that has been discussed briefly in the practitioner literature, but not yet in the academic literature, is the ability or willingness of business organizations to assist employees in coping with the hurricane. The hurricanes' devastation prevented many businesses from reopening and operating at all, and despite the severity of the damage, some business organizations still tried to help employees while other firms did nothing to help employees. What are the implications of helping or not helping for employee relations AND business recovery?

The purpose of this paper is to determine the impact of HR practices on employee perceptions of the organization after a natural disaster. A few authors have discussed this issue in previous studies (Harvey & Haines, 2005; Sanchez, Korbin & Viscarra, 1995), but not in the context of massive destruction and uncertainty such as that faced by business organizations in New Orleans after Katrina. Our paper specifically probes the links between HR practices, organizational justice, trust and commitment. Qualitative data consisting of interviews with victims of hurricanes Katrina and Rita conducted at the FEMA Service Center in Houston, Texas, are used to explore this issue in depth.

A separate issue in this study involves the inclusion of low-income employees in HR research. Very few HR studies examine attitudes of low-income employees, perhaps because these employees are sometimes considered to be expendable. For instance, there seems to be a general attitude in business that low-wage employees are easily

trained and replaced, as evidenced by the minimal training and effort put forth to retain employees in many lower paid jobs such as store clerk, restaurant employee and home health care worker. This attitude appears to be replicated in the academic research by the dearth of HR studies in industries with low- paying jobs such as retail, food service, and home health. Indeed, the few studies that exist on low-income workers are primarily geared toward economic issues rather than HR issues. For example, studies on low-wage employees have looked at the effect of the economy on low-wage jobs and innovative work practices (Handel & Gittleman, 2004), the effect of minimum wage on low-wage earners (Neumark, Schweitzer & Wascher, 2004), and how pensions may explain lower turnover rates in federal government jobs, even those that are lower paid jobs (Ippolito, 1987).

Although replacing lower level employees can be quite costly when considering interviews, employment tests, paperwork, and orientation, it appears that both business people and HR researchers believe concepts such as organizational justice or organizational commitment may not be as relevant to the low-income employee. Indeed, although Chelte and Tausky found in 1986 that antecedents and outcomes of organizational commitment varied depending upon employee rank in a university (manager, professional, and blue collar employee), a search of Psychlnfo using the terms "low-income worker (employee)", "blue collar worker (employee)", and "low-level worker (employee)" turned up a total of only twenty citations. These articles again were geared toward economic issues rather than HR issues. The expendability of lower wage workers has been documented throughout the history of labor relations in the U.S., but there may be circumstances when low-income employees are not as expendable as previously believed. One such circumstance may be in the context of a natural disaster.

Literature Review

The HR function of many organizations serves as the voice of management in the sense that HR policies and procedures indicate how the organization views its employees. For instance, if the organization's disaster management plan includes contacting employees to see if they need assistance, it is reasonable to assume that on paper, at least, the organization views employee support as an important aspect of conducting business. In one example, Ladika (2006) discusses what happened at Oschner Hospital in New Orleans. The hospital had a detailed disaster management plan in place before Hurricane Katrina hit the city, but the hospital staff had to continually adapt the plan due to hundreds of employees not being able to work because they had evacuated and could not return to the city after the storm. Throughout the crisis, Oschner managed to continue paying employees, provided housing and transportation to employees, and established an employee registration database online and through a call center.

Similarly, the Hilton Hotel in New Orleans helped employees during the hurricane (Weber & Palmeri, 2005) by allowing employees to bring family members and pets to the hotel for the duration of the storm. After the storm ended, the organization worked to move guests and employees out of the city. Then the organization worked to help

employees find employment at other Hilton hotels. To many observers, Oschner Hospital and the Hilton Hotel would appear to consider employees as valuable human capital that deserve organizational support when necessary. Whether this consideration of employees as human capital makes good business sense is not entirely clear. Thus, it is necessary to study the academic literature to better understand the effects of this type of behavior on employee attitudes.

For years, HR researchers have argued that HR practices have a major impact on employee productivity and commitment because the way employees are treated directly impacts organizational performance. For example, Huselid (1995) found that HR practices impact turnover, productivity and corporate financial performance. Delaney and Huselid (1996) found HR practices impact perceptions of organizational performance. Pfeffer (1998) and Pfeffer and Veiga (1999) argue that organizational success is based on how employees are treated and that there are seven HR practices that together lead to organizational success, profitability and survival. Barney and Wright (1998) argue one way to gain a sustained competitive advantage is to find unique ways to attract, retain and motivate employees; thus, their argument focuses on specific HR practices to obtain organizational competitive advantage. Yoon and Thye (2002) argue that organizational practices are connected to employee emotions and cognitions that shape an employee's organizational commitment, suggesting that employees carefully process organizational actions concerning employee matters.

Very few studies, however, have looked at the connection between HR practices and employee perception of the organization in the aftermath of a natural disaster. If it is assumed that the organization affected by the hurricane will reopen and begin operations at some point in the future, rehiring former employees would make the reopening go more smoothly than starting with all new workers; thus, it would be helpful to understand how employees perceive the organization's actions before, during, and after the disaster occurs.

Two separate studies that examined organizational support given to employees during a natural disaster found that the support was a predictor of employee attitude and commitment to the employer in the future (Harvey & Haines, 2005; Sanchez, Korbin & Viscarra, 1995). Other studies have linked HR practices to employees' overall perception of HR effectiveness (Chang, 2005), HR practices to workplace trust (Gould-Williams, 2003), and HR practices to employee commitment and motivation (Gould-Williams & Davis, 2005). From a slightly different perspective, Hausknecht, Day and Thomas (2004) found that applicants who view the HR practice of selection in a positive light are more likely to view the organization favorably, while other researchers have found a link between corporate image and the quality of applicants (Collins & Han, 2004). Since very few studies have examined these specific links in a natural disaster setting, we propose to use an inductive approach, analogous to that described by Lee, Mitchell, and Sablynski (1999), in the context of a natural disaster to uncover how lower level employees' experiences of HR practices relate to their sense of organizational trust, commitment and justice.

Methodology

The methodology for this study followed basic qualitative research and analytic techniques described by Berg (1998) and Locke (2001). Evacuees from Hurricanes Katrina and Rita who were residing in the greater Houston area were the subjects of this study. Interviews were conducted at the Federal Emergency Management Administration (FEMA) Service Center in Houston October 7 and 14, two weeks after Rita and six weeks after the Katrina storm. Subjects were approached randomly as they exited the Service Center and asked if they would be willing to be interviewed as part of a study of the storms' effects on businesses and their employees. Approximately two-thirds of those approached agreed to answer the interviewer's questions. Sample demographics are listed in Table 1.

Two-person interview teams comprised of student and faculty researchers conducted the interviews using tape recorders and written notes. We sought to address possible sources of interviewer bias and subject selection by mixing race, age and gender of the interviewer teams, while at the same time adhering to ethical requirements ensuring 'free will' of subjects to participate. Prior to conducting the interviews, participants were asked to complete a basic information sheet requesting demographic data and information about their employment prior to the storm. They were also presented with confidentiality statements and signed consent forms for use of the data gathered. Once the interview was complete, the subjects were each given a gift of five dollars in cash in appreciation for their cooperation, and asked to sign a receipt. We gave no indication to the respondents that money would be given prior to the interview, and it was not an inducement to participate in the survey.

The structured interview contained twenty-three questions (see Appendix) designed to gather information on: 1) HR practices before, during, and after the hurricane; 2) employee attitude toward employer; 3) organizational justice; 4) organizational trust; 5) commitment; and 6) severity of personal loss. The interview protocol was piloted and subsequently some questions were reworded. To organize the qualitative data, audiotapes of the interviews were transcribed and written notes taken during the interview were checked to ensure the accuracy of the transcription. Interview transcriptions were divided into three groups and coded independently by the researchers. Where uncertainties arose, a second researcher reviewed the results and corroborated or adjusted the coding by the first researcher. Additionally, a second member of the research team also reviewed a small sample of each subset independently for coding errors. This procedure helped ensure that all responses were coded consistently.

Fifty-two (52) interviews were conducted; forty-nine (49) were useable. In three cases, interview data were incomplete or indeterminable, and those responses were not tabulated in the final results. In three additional cases, the complete interview was discarded due to poor quality of the interview or the tape. To code the data, each researcher first read the entire interview to determine the overall pattern the responses

Table 1
Sample Demographics

Industry & Number Emp	loyed	Education L	Education Level				
Arts/Entertainment	1	Graduate Degree	1				
Education	2	Bachelors	2				
Government	2	Associates	4				
Healthcare	12	Some College	20				
Hospitality	10	High School	16				
Professional Services	5	Some High School	8				
Retail	8	Non Response	1				
Transportation	1	Gender	Gender				
Other	9	Male	21				
Non Response	2	Female	31				
Employed Before		Race	Race				
	rricane						
Employed Before Hurricane	52	African American	46				
Employed After Hurricane	9	Asian	1				
Unemployed After	35	Caucasian	2				
Hurricane							
Non Response	8	Hispanic/Latino	2				
Type of Employmen	t	Other	Other				
Hourly Employee	36	Age					
Salaried Employee	10	20-30	19				
Hourly Supervisor	4	31-40	10				
Salaried Manager	1	41-50	13				
Non Response	1	51+	8				
		Non Response	2				
			Number of Children				
		0	10				
		1-2	24				
		3-4	13				
		5+	5				
		Non Response					

took. A series of questions were also studied to see if we could gain insight into the relationships between employee attitudes and organizational justice and trust and commitment during a time of disaster. Although there is a great deal of literature on each variable, there is no theoretical clarity about how these variables interrelated during disasters. For lower level employees, we do not have answers to such questions as: 1) What impact do supportive HR practices have on employee attitudes toward the employer? 2) What impact do employee attitudes toward the employer have on

perceptions of organizational justice? 3) What impact do perceptions of organizational justice have on perceptions of organizational trust? 4) What impact does organizational trust have on organizational commitment? 5) Does severity of personal loss due to the hurricane have an impact on perceptions of organizational justice?

Results

We studied six variables in this research project and then studied the linkages between the variables using the research questions posed above. Because of the qualitative nature of the study, we first examined the responses concerning each of the six variables: 1) HR practices before, during, and after the hurricane; 2) employee attitude toward employer; 3) organizational justice; 4) organizational trust; 5) commitment; and 6) severity of personal loss.

HR Practices

The first variable of interest was organizational HR practices, and we asked respondents seven questions to determine what HR practices their employer used before, during, and after Hurricane Katrina. A list of all questions is included in the appendix, but example questions concerning HR practices included, "Did your company give time off before the hurricane so that employees could prepare for the storm? How much time?" and "Has your company continued benefits (like health insurance) for employees who are unable to work due to the hurricane?" Following are representative responses to questions about HR practices.

(NA-08) This respondent said the employer gave them time off to get ready for the storm, gave them contact numbers for help, kept employees on the payroll, and offered counseling for stress and grief. "I'm telling you they are real. When I went there to pick up my paycheck, she did everything. I mean she was so sweet. I didn't even have to ask her for anything, she just did it...She gave me a piece of paper and on that paper she had everything. She was real nice."

(LJ-02) "My company gave us time off before the hurricane...2 or 3 days....when they knew the hurricane was coming they asked for volunteers to sign up for work...When I contacted them (after the storm) they said everybody had been contacted except me. So they were worried about what happened...they told me my job was locked in...they are paying me...I have used my medical benefits since I have been here..."

(LJ-04) Asked if company gave employees time off before the hurricane, "No...Saturday night my family evacuated. I could not leave with my family because I was working an overnight shift...I was the only one on duty. I called my manager and asked him if it would be OK if I shut (the business) down because we were under a mandatory evacuation and could I leave. He told me, 'I can't believe you called and asked me that'...I needed my job so I stayed and my family left...He had the power to shut it down...and he didn't want to. I guess he

wanted to make those last sales."

(LJ-05) Asked if company continued to pay employees unable to work, "No. They haven't, and several of them they have denied unemployment...No benefits."

(NA-05) "...Our manager told us if we were to evacuate before Jefferson County officials declared a mandatory evacuation we would (be penalized)...I left early, the life of my family was at stake...They should have let us go when they called for the voluntary evacuation...When you have to evacuate that means getting your kids from school. It means fighting traffic within your own city to get home to pack and load up...It is not a vacation...so they need to take all that into consideration..."

(AJ-14) "...The manager made people with families stay. The more they sell, the more money they make. We were trying to get away. He was still trying to make us work. So then I heard on the news that if we leave the employers cannot fire us...because we were under mandatory evacuation. So we just left and didn't worry about the consequences."

(AJ-11) "I work for the field department, and I have been called back to work...but they are not providing housing or anything. They just want you to come back to work (even though) there is nowhere for me to stay. So, I can't go back to work. We were told you either come back or you don't have a job. So, I don't have a job."

Employee Attitude toward Employer

Responses to the questions relating to the second variable, the employee's attitude toward employer, are listed below. Sample questions included, "Do you think business organizations in the areas affected by the hurricane have tried to help their own employees cope with the storm? Any examples?" and "Do you believe that business organizations in general acted in a socially responsible manner to the hurricane situation? Can you give an example?"

(AJ-15) Asked how subject wanted their company to respond to employees, subject responded, "At least call us and try to contact us to see if we are all right or need any kind of assistance or help...At least show some concern."

(LJ-06) Asked if business organizations acted in a socially responsible manner to the hurricane, one respondent replied, "My employer has. I don't know about the rest...my boss gave me a bonus because of the hurricane." This respondent added that the company was not operable after the storm, and that the boss took care of employees any time they needed something.

(AJ-19) When asked if organizations tried to help their employees cope with the storm, respondent replied, "Majority of them, yes. I just happen to work for one of

them that didn't get too much help from my job...My mom, she works for a big company out there called (former employer)...They rented a car, and they provided a hotel for all our family..."

(NA-18) Asked if her company did a good job of helping employees affected by the hurricane, subject NA-18 replied, "No. I don't think they did a good job at all. I would have been contacting them. I was a supervisor there and I still haven't been contacted at all. They had all my phone numbers. They had my mom's cell phone number. No call, no answer, no nothing."

(NA-13) This respondent's employer owed them about two weeks of pay. "I have been trying to get my last check. I have tried to contact them. They have my numbers, and no one has tried to contact me. If they wanted to, they could have found me, and I have been trying to call them."

(LJ-08) "I worked for (former employer), a nursing home. They stayed. They refused to get those people out...From what I understand, they had water to their waist before they decided to get those people out of there; but me, I left ahead of time. I didn't go to work that day at all. I called them and said I am not coming. I am leaving with my family because they had done the same thing last year. They waited until the last minute because they didn't think that it was coming."

Organizational Justice

The third variable is organizational justice. In this disaster situation, we felt that general questions concerning fairness and equal treatment were especially salient; thus, the two questions on justice were, "Do you believe the company has been fair to employees who were affected by the hurricane? Can you give an example?" and "Were some employees treated differently than others in the response to the hurricane? Can you give an example?"

(NA-16) Asked if company was fair to employees, respondent NA-16 replied, "No." Asked if some employees were treated differently than others, the response was, "Yes...They (management) probably got funding, housing, and everything else they needed."

(NA-15) Asked if some employees were treated differently than others, one hotel employee responded, "Some. All the managers were. They got to stay in the hotels. They can call anywhere in New Orleans, and they can get a hotel. The employees can't do that. And when we stopped to get a hotel they charged me \$290 for a room...If I am an associate, it is supposed to go for \$29 to \$49, but it was \$290. They hiked the price... "

(NA-12) This employee had not received his last paycheck, and his frustration showed when responding to the question asking if employees had been treated

differently, "Yes...since the disaster happened they tried to help other employees but they didn't try to help me. And I have been contacting them every weekend...I had worked almost 60 hours for that week. They know that I am a Katrina victim..."

Organizational Trust

Comments to the question addressing the fourth variable, organizational trust, are shown below. The question concerning trust was, "Do you trust your company to do what's right?"

(AJ-12) "I must say I am proud of my company and I do trust that they will be right in the future."

(AJ-10) "Judging from what they have done for us, I'd say I trust them at this point."

(NA-03) When asked if he trusted company, "...Not now...they didn't call me. They didn't try to contact me. They didn't try to get me another job. They didn't say, 'Look here's a store'...They weren't any help, and they just lost contact with everyone. All my numbers are still the same."

(LJ-08) "I trusted them to do what's right, but not any more."

(AJ-09) This respondent said his former employer called, but did not ask how he was. Instead they were more concerned about a company truck that was missing. "I told them it was down where the hurricane was and to go get it. I don't trust them at this point, no. Until they show me better, no."

<u>Organizational Commitment</u>

The fifth variable of interest is organizational commitment. Five questions were used to determine normative, affective, and continuance commitment. However, it was difficult to parse out the effects of each type of commitment. Thus, the answers for commitment were combined into one general category of organizational commitment. Some specific comments on commitment are shown below.

(AJ-20) "I was very obligated to (former employer) but due to the fact that my house is all destroyed with mold, I can't live there...I would work for (former employer) again...I hope they can rehire me..."

(NA-11) Asked how they would feel if they overheard anyone criticizing company, "I would get upset about it...if I did (hear criticism), I would probably address it." Asked if they would work for company again, "Yes, I will..."

- (NA-09) Asked if respondent was proud of company, "Yes, because (the manager) gave us a choice two or three days early. We could have left and there wouldn't have been nothing against us. I think (the manager) did as much as he could do."
- (LJ-03) Asked how they would feel if they overheard someone criticizing company, "Oh, I would probably jump all over them because that wouldn't be right...I love my company."
- (LJ-01) "I am proud of (former employer) period...I respect what they stand for and I understand the decisions that they had to make."

Severity of Personal Impact

The sixth variable in this study concerns the severity of the personal impact of the hurricane on individual respondents. Three questions were asked to determine the severity of personal impact in terms of disruptions in living arrangements, daily life and family life. These questions were the first questions asked in the interview, and they tended to elicit a great deal of response with little prompting. Subjects candidly told of their personal losses and their situation. The data revealed that in all cases the hurricane's effects had severe ramifications on the lives of these respondents.

- (LJ-01) When asked if their family was safe, and how they were managing, LJ-01 replied, "No, they aren't...I'm living off vouchers I have gotten from FEMA but that is about it."
- (LJ-10) "We are using every nickel and dime we got right now. I got the assistance, but if you don't have a job you are just spending money and have no way to replace the money. So you need a job."
- (AJ-20) "My family is safe. I had a family member that died in a shelter in Mississippi (respondent is crying), but everybody that came to Houston is fine."
- (NA-11) "...we have been sharing a car. Five families sharing one vehicle...I lost everything...three vehicles and the house...pictures, furniture, cars, everything's gone..."
- (AJ-16) "...there are thirty people in one little bitty house. That's how many came in from New Orleans and we all had to bunch up with my uncle in one house.
- (AJ-05) When asked where she was living right now, respondent AJ-05 replied, "In my car." The subject explained that her house had mold in it and is unlivable, but she was trying to work with FEMA and the Red Cross to find an apartment.

According to the American Red Cross, Hurricanes Katrina and Rita created a 'worst case scenario' for the United States. The damage resulting from these natural disasters resulted in more than a thousand people losing their lives, with millions more displaced or left homeless (American Red Cross, 2006). The subjects interviewed for this study were standing in a FEMA line to apply for funds to help them obtain housing and acquire goods for their basic needs. These individuals were all impacted severely. Therefore, it should not be surprising that we found little variability in the level of severity of impact of the hurricane. As a result, the research question on how the severity of the disaster related to employees' feelings about their company was not pursued. Table 2 summarizes the analyses of the interview data as they relate to the remaining four research questions.

Research Question 1

What impact do supportive HR practices have on employee attitudes toward the employer? Results indicate that an organization's HR practices influence an individual's attitude towards the employer over 70% of the time (34 out of 48 responses). Positive HR practices and positive individual attitude were correlated as were negative HR practices and negative individual attitude. This indicates that if HR practices are perceived as positive by the individual, then the individual's attitude will be positive. On the other hand, if HR practices are perceived as negative, then the individual's attitude will be negative. Of the responses that were supportive of this finding, seventeen of the relationships were positive and seventeen were negative. The sample interviews below illustrate this pattern of responses.

Subject AJ-07

Interviewer: Do you think that companies in the areas affected by the hurricane have

tried to help the general public cope with the tragedy?

Response: No. I think Houston, Texas has been helping us pretty good.

Interviewer: What about companies that were in New Orleans and the affected areas?

Response: Yeah, I think... they are helping... giving them (their) back pay... vacation

money...I think they are helping them.

Interviewer: Do you think companies in the affected area have tried to help their own

employees?

Response: I think they tried, but I guess it's the money. Everything is (about the)

money. It's gone; they don't have the money.

Interviewer: So they can't help you. Do you believe that companies in general have

acted in the right way?

Response: I think so.

Table 2 Data Results

Interview	HR	Attitude	Trust	Severity	Justice	Commitment	Q1	Q2	Q3	Q4
AJ01	-	Discard	-	+	-	-				
AJ02		Discard								
AJ03	-	-	-	+	-	-				
AJ04	-	+	+	+	-	+	-+	+-	-+	++
AJ05	+	-	-	+	+	+	+-	-+	+-	++
AJ06	+	+	+	+	+	+	++	++	++	++
AJ07	+	+	+	+	+	+	++	++	++	++
AJ08	+	+	+	+	+	+	++	++	++	++
AJ09	+	ı	ı	+	-	-	+			
AJ10	+	+	+	+	+	+	++	++	++	++
AJ11	-	ı	ı	+	-	-	ŀ			
AJ12	+	+	+	+	+	+	++	++	++	++
AJ13	+	ı	+	+	+	+	+	++	++	++
AJ14	-	ı	ı	+	-	-	ŀ			
AJ15	-	ı	ı	+	-	-	ŀ			
AJ16	-	ı	ı	+	-	-	ŀ			
AJ17	+	+	+	+	+	+	++	++	++	++
AJ18	-	ı	ı	+	-	-	ŀ			
AJ19	-	+	ı	+	-	-	+			
AJ20	+	+	+	+	+	+	++	++	++	++
LJ01	+	+	+	+	+	+	++	++	++	++
LJ02	+	+	+	+	+	+	++	++	++	++
LJ03	+	+	+	+	+	+	++	++	++	++
LJ04	-	ı	ı	+	-	-	ŀ			
LJ05	-	ı	ı	+	-	-	ŀ			
LJ06		Discard								
LJ07	-	+	+	+	+	+	-+	-+	++	++
LJ08	-	+	-	+	-	-	-+			
LJ09	-	+	-	+	-	-	-+			
LJ10	+	+	+	+	+	+	++	++	++	++
NA01	_	-	-	+	-	-				
NA02	+	+	+	+	+	+	++	++	++	++
NA03	-	+	-	+	+	-	-+	++	-+	
NA04	+	-	+	+	+	+	+-	-+	++	++
NA05	-	-	-	+	-	-				
NA06	+	+	+	+	+	+	++	++	++	++
NA07	-	+	+	+	+	+	-+	++	++	++

Subject AJ-06

Interviewer: Did your company give employees time off before the hurricane so that

employees could prepare for the storm?

Response: Yes, yes. My company did.

Interviewer: How much time did they give you guys?

Response: They gave...three or four days.

Interviewer: Oh, really? Okay, that's fine. Did your company provide public phone

numbers so that employees could contact the company, perhaps so that

you guys could call them?

Response: Yes. Yes, they did.

Interviewer: Did your company have a disaster team trying to contact you guys after

the hurricane? Have you been contacted?

Response: Yeah, we have been contacted. (We are) hoping to go back to work soon,

maybe three or four months.

Research Question 2

What impact do employee attitudes toward the employer have on perceptions of organizational justice? The results indicated that a person's attitude toward business aligned with their perceptions of organizational justice over 85% of the time (40 out of 46 responses). Positive attitude toward business correlated with positive perceptions of organizational justice; similarly negative attitude correlated with negative perceptions of organizational justice. Half the respondents for whom attitude toward business aligned with perceptions of justice reported having a negative attitude toward business while the other half reported positive attitude. It appears that if an employee feels positive toward the employer, s/he will also tend to see the employer as being fair to workers. Likewise, an employee who feels negative toward the employer will tend to perceive the employer as being unfair to employees. Sample responses that illustrate this pattern are shown below.

Subject NA-20

Interviewer: Do you think that the businesses tried to help the general public in any

way?

Response: No, I don't think so.

Interviewer: Do you think that they tried to help their own employees?

Response: Some of them, the majority of them.

Interviewer: Do you think that businesses tried to do the right thing?

Response: Some of them.

Interviewer: Do you think your company did a good job?

Response: No.

Interviewer: Do you have a personal example of why not?

Response: They really don't care about nobody. It is just all about making money.

They really don't care about nobody.

Interviewer: Do you believe that your company has been fair to employees?

Response: No.

Subject NA-02

Interviewer: In general, in New Orleans, do you think that business organizations

tried to do a good job to help the public cope with the storm?

Response: They did a fairly good job, yes, I would say so. Right now they're really

helping out a lot down there. The time that I went back they really put

forth the effort to help, so I would say yes.

Interviewer: Thank you. Do you think that they acted in the right way socially toward...

just toward the public basically?

Response: I would say yes, they acted in the right way, because they are starting to

Have everything in order... I wouldn't say the government [acted in the

right way] but businesses, yes.

Interviewer: So do you believe your company has done a good job in helping

employees that were affected by the hurricane?

Response: I would say yes. Yes, because if the company didn't pull together and

other companies wouldn't have pulled together, then really it would be

more of a disaster than what it is now.

Interviewer: Do you think that the company as a whole has treated anybody any

differently than anybody else? Would the cooks get better benefits or

better treatment or anything like that?

Response: I would say no. It is an equal opportunity. Everyone's treated the same;

as long as you get along and you smile you're good. Everyone that I have

talked to has been okay.

Research Question 3

What impact do perceptions of organizational justice have on perceptions of organizational trust? Ninety-one percent of respondents had the same valence for justice and trust (43 out of 47 responses). Twenty two reported positive perceptions of both organizational justice and trust while 21 respondents reported negative perceptions of both organizational justice and trust. Thus, we can conclude that perceptions of organizational justice impact organizational trust, meaning that if a person perceives that the organization has behaved justly, s/he will trust the organization. Likewise, if a person perceives that the organization is unjust to workers, s/he will not trust the organization. This connection is illustrated in the following responses from one interviewee.

Subject LJ-05

Interviewer: Do you believe that your company has done a good job helping

employees who were affected by the hurricane?

Response: Worse than poor.

Interviewer: Do you believe that your company has been fair to employees affected by

the hurricane?

Response: No, I don't.

Interviewer: Can you give any examples?

Response: Okay. There is one nurse who had just bought a brand new car. They told

her she couldn't bring her car with her—that she had to leave her car in the flooded area and ride the bus while the administration brought their cars. So hers is flooded and theirs are safe. They refuse to compensate her for it. They were there at the evacuation site for three days with no food. They refused to feed the employees. Residents went two days without food. These people that they were taking care of, four of the residents that I really love, died. That is why I am not going back. Administrators had apartments to sleep in; employees were sleeping on the floor or mattresses. The same with the residents, sick old people

sleeping on the floor on mattresses.

Interviewer: So do you trust your company to do what's right?

Response: No, I don't.

Research Question 4

What impact does organizational trust have on organizational commitment? Only two of the respondents, less than 5%, had dissimilar perceptions of organizational trust and organizational commitment. An overwhelming majority of respondents reported the same valence for trust and commitment. In the current study, slightly more than half (55%) of those respondents said they both trusted the organization and were committed to it while the others said they did not trust the organization and were not committed to it. Examples of responses illustrating the relationship between organizational trust and organizational commitment are shown below.

Subject NA-13

Interviewer: Do you trust this company...?

Response: No...Look how they did me this time. They didn't help in no kinda way."

Interviewer: Would you work for this company again?

Response: No.

Interviewer: ...even if they called you back?

Response: No.

Subject AJ-12

Interviewer: Do you trust this company?

Response: I must say I am proud of my company, and I do trust that they will be right

in the future.

Interviewer: And would you work for them again?

Response: Yes, I would.

Subject AJ-05

Interviewer: Do you trust your company to do what's right?

Response: No, because they gave a deadline for (people) to receive (compensation)

and it has passed.

Interviewer: Would you work for the company again?

Response: Out of necessity. I don't have time to look for something else.

Interviewer: How likely is it that you would try to find a new job with a different

company?

Response: Very likely. But for this year, until things get reorganized, I'm going to be

there.

Pattern of Positive Responses for Research Questions

Studying the interviews in their entirety reveals a pattern of consistency regardless of whether the HR practices are positive or negative. Responses to questions linking variables tended to be all positive or all negative as shown in the following interviews: one illustrating a consistently positive pattern of response and one illustrating a consistently negative pattern of response. Subject (NA11) is a 39-year old African American mother of two with some college who had worked eight years for a major hotel chain in New Orleans, working her way up to a position as an hourly supervisor.

<u>Severity</u>

She resided in the 9th ward, the area most severely impacted by the storm.

"I lost everything, three vehicles and a house -- pictures, furniture, cars, everything's gone."

She and thirteen members of her family relocated to Houston where they were sharing one vehicle.

Attitude

Overall, she felt that businesses in general, and her employer, tried to help as much as they could, but that everyone panicked somewhat.

"I'm sure they did [try to help] but I think everybody kind of panicked at one time, though. So when everyone was trying to get out, they were thinking of their families, too. They stayed open as long as they (could), then everybody started shutting down and trying to get out of harm's way. When panic was going on, I think everybody just lost their nerves and their cool, but I'm sure everybody did what they could...I think they [government] could have came a little sooner. They were kind of slow in reacting to the storm."

Human Resources Policies

Her employer gave employees a two-day notice if anyone wanted to leave. Emergency contact numbers were included in employees' pay envelopes, and posted at the front

desk. The firm did have disaster teams after the storm, continued benefits, and paid employees through the end of September. At the time of the interview, they were rehiring employees, and she had been called back. The employee had not been offered grief counseling, but was certain that when she reached the hotel that more information would be offered.

"They knew that we had five families traveling together so they were able to give us information on hotels that were available in the area. They decreased the rate to \$19 a night until we were able to get in contact with the Red Cross to get some more assistance and they had an internet site that we were able to check everyday to see what other assistance was there."

Justice

The employee affirmed that she believed that her company had treated employees fairly, and that all employees were treated the same.

<u>Trust</u>

She trusted her company to do what was right, and would work for them again.

Commitment

"I don't feel obligated, but I guess because I have been with them for so long I would go back to work for them anyway."

If someone were to criticize her former employer, she said, "I would probably get upset about it. I started out in housekeeping and have worked my way up, but I have never really heard any negative conversation... if I did, I probably would address it."

She was proud of how her employer handled the hurricane situation. When asked if it was likely that she would try to find a job with another company, she responded, "...not likely at all. Like I said, they gave me a chance and I was a single parent of two kids... they opened their doors to me just putting in an application. Right now I am in management. It took me a couple of years to get there but I have not had any hardship with the company at all. I even try to get family members hired."

Pattern of Negative Responses for Research Questions

Subject (NA01) is a 28 year old African-American woman with two children. She holds a graduate degree and was a salaried employee working for a national not-for-profit organization in New Orleans when Katrina hit the city. After they evacuated, they lived in a hotel for a week and then stayed with a cousin in Tyler, Texas, for two weeks before relocating to an apartment in north Houston.

Severity

"My grandmother, she's in San Antonio, Texas, and also my uncle, he's in San Antonio, Texas. They were at the Superdome when all this happened and my mother was with them. My uncle is paralyzed and she was telling the policemen over there that she didn't want to be separated from him because he could not talk... but they told her she couldn't go with him. So, they shipped him on an airplane and it took us like ... well, actually, we just found him maybe about a week ago, and ah ... he's...he's okay. My grandmother, she's in the same predicament. She was in the hospital out in New Orleans and they shipped her and it took awhile to find her as well. There really wasn't (any way) we could get in touch with them, but now that we know they're fine, everything else is okay."

While the subject's home was not destroyed, it was severely penetrated with mold. "I don't know if I want to say I lost it, but it has a lot of mold in the house... we can't be in there with the baby because she is so young."

The roof of her grandmother's house caved in, so she can't go back there either.

Attitude

When asked about what businesses in general, and her own employer, had done to help people cope with the storm, she observed,

"My best friend, she works at a company...and they treat their employees real good. They were sympathetic toward them. You know, gave them a lot of things that they needed. But the company I work for (said), 'Okay...we are gonna pay y'all on such and such a day,' and that's it. I work for a case management agency... and they can't find any clients, so, of course, we don't have a job now...(The company) is nationwide... they have several offices...I think they could have done more for us than they did, you know, but they didn't...They could have done a lot more than what they've done because they have offices out here and Dallas...they have another in Thibodaux, Louisiana...maybe like three or four upstate. So they have the funding...it's a nonprofit organization so they could have been a little more generous ...but, you know, they didn't do anything."

Human Resources Practices

Before the hurricane hit, the company released their employees early; the employees just needed to be certain that their clients were taken care of.

"They were good with that, they really were good...they let us off. That was beautiful, and they did a good job with that."

Following the storm, the employer did not attempt to contact the employee. Eventually, the employee called the supervisor.

"I actually spoke with my supervisor last week and she asked me, 'Where are you and why didn't we hear from you?' ...I felt like if they really were concerned about their employees, they would have called... I know they didn't call me or anybody else because a lot of the coworkers have been in touch with one another...But, she said to me, 'Why didn't you call? We didn't hear from you.' I'm like, well ...why you didn't call me?"

Once the subject did make contact, she was advised that because most all of the clients had evacuated, there really was not enough work to employ all of the staff, and that she was going to be laid off.

"She (supervisor) said I would get the pink slip in the mail with the last check, or whatever. But, OK, fine ... you can't really argue with stuff like that."

The employer did not provide disaster teams, relocation assistance, grief counseling, offer employment in another office, or continue benefits.

"They didn't offer anything but a pink slip (laughter)." At the time of the interview, the employee had not yet received her last check (or the pink slip!)

Justice

The employee's office was in Metairie, Louisiana, a suburb of New Orleans, which was also hit hard by the storm. Another office, on the North Shore of Lake Pontchartrain, was not severely affected. The employee felt that if the North Shore office had been affected, the firm would have done more to assist employees. She felt no further obligation to the company, but was able to differentiate how she would respond to criticism of the firm.

"It depends on how the criticism is coming. As far as client-wise, I may have to defend (the employer) because, you know, they were kinda there...for the clients, or whatever; but if you want to criticize (the employer) for how they treated their employees, I'll be there with you."

Trust

The employee was not proud of how her firm handled the hurricane situation, but was equivocal regarding whether she would trust her employer to do the right thing in the future.

"I don't know. I really don't know because... being a nonprofit organization, they have funding coming in probably from everywhere. And being that they can't find so many clients in New Orleans at this point ...why not take some of that money and help some of the employees out? I know there are definitely three to four employees that really lost everything, and I have heard nothing such as, 'Hey, we will help you pay for motels,' or at least paying rent for six months or two months or a month for that matter."

Commitment

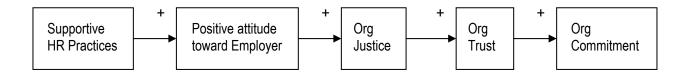
The employee would not work for the employer again, even at a different location, and it was very likely that she would seek a job with another company.

The preceding two vignettes illustrate the consistency in the pattern of responses found in the majority of interviews. The respondent who had experienced positive HR practices said she was treated fairly and was loyal and committed to the company. The respondent who had negative HR experiences said she was treated unfairly and had no sense of loyalty or commitment to the company. Table 2 shows that these patterns of agreement (+,+) or (-,-) were replicated nearly 70% of the time.

Discussion

The findings from the study are valuable from both a theoretical viewpoint that establishes the relationship between HR practices and employee commitment, and from an applications viewpoint that highlights employer practices that aid in securing employee commitment in times of crisis. The findings in this qualitative study provide some theoretical guidelines suggesting how HR practices, employee attitude toward business, organizational justice, trust, and commitment are linked during disasters. Figure 1 illustrates these links. Although other researchers have found similar linkages, our paper is the first to study all of these variables in the context of a catastrophic disaster, and one of the few to study HR issues in the context of low-income workers.

Figure 1
Emergent Patterns in Data



Fortunately, natural disasters represent a very small percentage of business problems, but lessons learned in this context could be helpful in other settings as well. For example, the donor motive (Coyle-Shapiro & Conway, 2004) in social exchange theory (Blau, 1964; Homans, 1958), whereby individuals receive help at the expense of the donor, is often exhibited by organizations hiring inexperienced employees and training them extensively without much chance of return on investment for several years. Orientation sessions designed to foster group identification by socializing new employees into organizational culture are one way to make individuals feel like a valued group member and thus, to utilize the principles of social identity theory (Tajfel & Turner, 1986) to create a positive corporate image.

Social exchange theory and social identity theory serve as strong theoretical underpinnings of the employee-employer relationship by emphasizing the reciprocal nature of an employment relationship and the importance of group identification in causing employees to act as a valuable member of an organizational community. In the current culture of restructuring and downsizing, however, the basic premise of these theories seems to be devalued by investors looking for immediate financial gain without considering any potential long-term benefits from employee stability and loyalty. In the context of a hurricane, it is obvious to all observers and participants that life and death situations need to be addressed. In the context of quarterly profit/loss statements, a similar "job versus no job" situation is also threatening to employees and should be addressed, but this situation may not be as obvious to third party observers.

The element of reciprocity in social exchange may be particularly useful in understanding how organizations may benefit from having employee-friendly policies. The present study found that employees do feel some amount of obligation toward employers who show concern for workers, and that employees feel no obligation at all toward employers perceived to be unconcerned about workers. The question of whether employee obligation to employer is valuable enough to pursue as a matter of economics may be answered in part by studying companies who have adopted specific strategies to position themselves as family-friendly employers. John Hancock Insurance offers activities for children who have school holidays while their parents have to work. America West Airlines maintained its work/family programs throughout bankruptcy proceedings to keep its workforce intact and motivated through hard times. These companies claim that taking care of employees is good business sense because satisfied employees take care of customers, which, in turn, takes care of your shareholders. The perception of concern for the employee is critical, even though very few employees take part in available family-friendly programs (Berns & Berns, 1992).

Some academic studies have also found that employee attitudes and corporate image could have an impact on profitability. Cravens and Oliver (2006) suggest that employees and corporate reputation are unique resources that generate positive financial performance, while Rashid, Sambasivan & Johari (2003) found that corporate culture and organizational commitment have an influence on corporate financial performance. Other academic studies have found that perceived external prestige has an impact on affective commitment (Carmeli, Gilat & Weisberg, 2006; Herrbach & Mignonac, 2004) and on organizational identification (Carmeli, Gilat & Weisberg, 2006). Thus, a number of researchers and practitioners have argued that a positive corporate image of being employer-friendly is economically beneficial to the organization. In the context of a natural disaster, organizations that show concern for employees are likely to receive positive press coverage in addition to the impact on employees to feel an obligation to reciprocate.

A separate issue in this article concerns the use of low-income workers as subjects. Although the prior discussion encompasses studies of higher employee ranks, there is no compelling evidence to assume that the same findings would not apply to low-income workers. Although many employers may design low-level jobs with the idea that

frequent replacement is necessary due to the type of work performed, it is likely that low-income workers believe the employer is not committed to them. In other words, the organization's perceived lack of concern for the employee encompassed in the low-income employee's job design may be the driving force that creates low commitment. We suggest that organizations carefully consider the cost associated with replacing employees in all levels, particularly the lower level employees who often perform much of the actual workload in an organization. For example, in the hotel industry, lower level employees perform many of the services provided to guests such as cleaning rooms, serving food, setting up meeting space, and maintenance work. Replacing several of these lower level employees at one time could have a detrimental effect on work productivity and service quality.

Limitations and Directions for Future Research

The limitations of this study include a lack of diversity in the sample, a weak measure of severity of personal loss, and no moderating variables. This sample was almost exclusively lower-to-middle income, hourly employees of African-American descent, although a few management personnel were identified. Although the participants in the study do not mirror the general population, or even the population of New Orleans and the Texas gulf coast, they are likely representative of those most impacted by the storms. However, it is possible that a more diverse sample would have responded differently regarding the variables in the model. Thus, a suggestion for future research would be to enlarge the sample and include various ethnic and socioeconomic backgrounds.

We were surprised that the variable, severity of personal loss, had almost no impact upon the other variables. However, we interviewed no respondents whose loss could be regarded as anything less than severe. All were displaced; almost all were unemployed at the moment; all were dependent upon aid in some form for meeting their immediate needs, and all were uncertain regarding both their immediate and long-term futures. In such catastrophes, certainly there are individuals who are only inconvenienced in a minor way and can shortly resume life as usual. None of those individuals were identified for participation in the study at the FEMA Service Center on the days when the interview data were collected. This limitation suggests that one direction for future research is to test the model under conditions of less severity of loss.

Finally, it is possible that certain moderators may affect the influence of some or all of the variables. The subject's coping skills and ability to manage stress may impact the respondent's attitude toward the employer and perception of organizational justice. In addition, the availability of alternative sources of support may moderate the severity of impact of the catastrophe upon the respondent. Others variables, such as personality traits or cultural differences (particularly between individualistic versus collectivistic cultures) might be important moderators to consider as well. Perhaps the most fruitful direction for further research is to ascertain whether the model which seems to emerge from the data analysis holds empirically. If it is supported, businesses will have a better understanding of the contribution HR policies make toward employee commitment.

Appendix

- 1. Where are you living? (shelter, family, etc.)
- 2. How are you managing your day to day schedule and expenses?
- 3. Is your family safe? Are they with you?
- 4. Do you think business organizations in the areas affected by the hurricane have tried to help the general public cope with the storm? Can you give an example?
- 5. Do you think business organizations in the areas affected by the hurricane have tried to help their own employees cope with the storm? Any examples?
- 6. Do you believe that business organizations (government) in general acted in a socially responsible manner to the hurricane situation? Can you give an example?
- 7. What company did you work for before the hurricane? How many people worked for the company? How long did you work for the company before the hurricane? What shape is the company in now?
- 8. Did your company give employees time off before the hurricane so that employees could prepare for the storm? How much time one day, two days, etc.
- 9. Did your company provide public phone numbers so that employees could contact the company for help? When and where did you see the phone numbers?
- 10. Did your company have disaster teams trying to contact employees after the hurricane?
- 11. Has your company rehired employees from the areas affected by the hurricane? Were you rehired by your company? Are you working for a different company now?
- 12. Has your company continued paying employees who are unable to work due to the hurricane?
- 13. Has your company continued benefits (like health insurance) for employees who are unable to work due to the hurricane?
- 14. Has your company offered to provide grief or stress counseling for employees who were affected by the hurricane?
- 15. Do you believe your company has done a good job in helping employees who were affected by the hurricane? Can you give an example?
- 16. Do you believe your company has been fair to employees who were affected by the hurricane? Can you give an example?
- 17. Were some employees treated differently than others in the response to the hurricane? Can you give an example?
- 18. Do you feel obligated in any way to the company you worked for before the hurricane?
- 19. In light of these circumstances, how would you feel if you overheard someone criticizing your company?
- 20. Are you proud of the way your company has handled the hurricane situation?
- 21. Do you trust your company to do what's right?
- 22. Would you work for the company again?
- 23. How likely is it that you would try to find a new job with a different company?

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