Introduction:
The past few decades have witnessed various forms of organizational restructuring in the face of global trends in the world of business. The onset of an uncertain economic climate and emergence of a global downturn has become necessary for organizations to re-evaluate how they function. In line with this, Gaucher (1997) describes the emergence of a paradigm shift. Organizations that previously focused on size, specialization and job descriptions now place emphasis on job flexibility and speed. Organizations have repositioned themselves in a bid to gain competitive advantage in an uncertain marketplace. As a result, most organizations are striving to reduce costs and improve efficiency by reducing the number of employees. This strategy is often referred to, among other synonymous terms as, layoffs, rightsizing, retrenchment and organizational downsizing (OD). According to Cameron, (1994) downsizing is a set of activities undertaken on the part of management, designed to improve organizational efficiency, productivity, and / or competitiveness. It represents a strategy that affects the size of the firm’s workforce and its work processes but it is primarily associated with the reduction of human resources through layoffs, attrition, or early retirement.

This has resulted in a series of workforce reduction by many countries in both the private and public sectors. The situation in Ghana is no different. The 1990s was characterized by massive organizational restructuring as a result of economic reforms and competition in the business arena, trade liberalization and privatization. In the process of restructuring, many organizations had to reduce the size of their workforce or revise their method of operation, which led to massive layoffs because many employees were declared redundant. For instance, information gathered from the ‘Record book’ at Ghana’s Labour Office indicated that, between January 1995 and mid January 2003, over 300 companies had laid off some employees totaling about 50,242 across all sectors including banking, mining, agricultural and manufacturing. In addition, figures from the Ministry of Employment and Manpower Development in Ghana have shown that between 1987 and 1996 when the public sector reforms ended, an estimated 72,000 employees had been retrenched. This figure is made up of civil servants and Ghana Education Service (GES) employees. Even though downsizing is expected to impact positively on organizations leading to improved 

SURVIVING EMPLOYEES’ PERCEPTION OF DOWNSIZING AND IT’S IMPACT ON THEIR JOB INVOLVEMENT AND JOB SECURITY: THE GHANAIAN EXPERIENCE

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ABSTRACT
The study was basically to examine surviving employees’ perception of downsizing and how three critical conditions (i.e. closeness of survivor to victim, previous experience with downsizing and one’s status in the organizational hierarchy) affect them in relation to their work attitudes (Job Involvement and Job Security). In all, 200 employees participated in the study. Results of the study indicate that survivors’ relationship with affected victims influenced their job involvement such that, those whose relations/ friends were laid off showed lower job involvement than those whose victims were mere coworkers. Another finding was that, employees who had previously experienced or witnessed a downsizing exercise prior to the recent one showed greater job security than their counterparts who had never experienced any downsizing. Finally, senior level employees felt more involved in their jobs than their junior counterparts. In view of the findings, it is recommended that organizations should manage downsizing programmes in ways that would not disrupt social networks unnecessarily. In addition, management must ensure transparency to reduce the anxiety that characterizes these exercises.

Keywords: Downsizing, Job involvement, Job security, Perception, Ghana.
profitability and productivity, many organizations do not factor in the psychological impact the process will have on those who survive. Until recently, it was thought that surviving employees did not need any special attention because they would raise their productivity levels after a downsizing due to their contentment with maintaining their jobs. In addition, it was believed that they would work harder because of the worry of being fired when the next round of layoffs occur (Clark & Koonce, 1997). Basically, the study is to examine surviving employees’ perception of downsizing and how these three critical conditions (i.e., closeness of survivor to victim, previous experience with downsizing and one’s status in the organizational hierarchy) affect them in relation to their work attitudes (job involvement and job security).

**Literature Review:**

A theoretical area exploring attitudes and perceptions of fairness in a work-related setting is organizational justice. In the event of a downsizing programme, surviving employees in their scope of justice, examine whether the laid off employees are treated fairly by the organization or not, which in turn informs their perception of the fairness or otherwise of the whole exercise, and subsequently their attitudinal or behavioural outcomes. Perceived fairness of a downsizing process refers to an individual’s overall assessment of whether the process was conducted in a fair and just manner (Wanberg, Griffiths & Gavin 1997).

According to Sheppard, Lewicki and Minton (1992), organizational justice has three components namely, distributive, procedural and systemic. Greenberg (1990) views the perceived fairness of the resulting outcomes as the core of distributive justice. The perceived fairness of the process through which decisions are made forms the basis of procedural justice (i.e., the means). Systemic justice is said to exist when organizations operate with a balance of power, and include all internal stakeholder groups in decision making, and the provision for equal opportunity to share in the rewards of the system. It is important to mention that research on procedural justice acknowledges that individuals are not just concerned about the outcome of decisions, but also about the fairness of the procedures used in making decisions. There is evidence to show that when explanation is provided for a decision, it increases perceptions of justice and leads to more favourable reactions toward the organization (Greenberg, 1990; Singer, 1993; Tyler & Bies, 1990). Dissatisfaction exhibited by survivors can also be explained from a balance theory perspective. According to balance theory, one critical determinant is the extent to which survivors feel a prior sense of identification or connectedness with the affected victims (Heider, 1958).

According to Brockner et al. (1987), if the level of identification prior to the layoff is low, there is the likelihood that survivors will react to the injustice by distancing themselves from the victims. On the other hand, if the previous level of psychological identification is high, there is the likelihood that survivors will react by distancing themselves from the perpetrator of injustice. In effect, the closer one’s level of relationship with the laid off employee, the greater the extent of changes that may occur in the survivor’s attitudinal and behavioural reactions to the entire downsizing exercise. This emphasizes the importance of social networks in the work environment. Network theorists talk about two main mechanisms of influence: Cohesion and Structural equivalence. The cohesion research states that people are influenced by their direct ties, or friends and that cohesive influence is a result of the frequency, intensity and proximity of interaction. On the other hand, the structural equivalence research states that people are influenced by others who share similar patterns of relationships. Layoff consequences become more real to survivors if they see their friends suffering, especially as a result of perceived unfair treatment. Such employees may become dissatisfied as a result of greater layoff exposure, social isolation, the loss of social contacts, and decrease in the number of interaction partners.

**Perception of downsizing and its impact on work attitudes:**

Even though job involvement generally has enjoyed a considerable amount of research, the impact of downsizing on surviving employees’ job involvement has received little attention. However, considering the impact of downsizing on the general attitudes and behaviour patterns of survivors, it could be argued by extension of the principle of inference that, job involvement may also be affected in a similar manner. Generally, various studies have found that downsizing can impact negatively on survivors’ attitudes and behaviours including, mistrust of management, decreased organizational commitment, job satisfaction, employee morale, and loyalty (e.g. Campbell et al. 2001; Allen et al. 2001). This can ultimately affect employee performance, lead to turnover, absenteeism and the like.

**Survivors’ Relationship with Victim and Work Attitudes:**

Shah (2000) in a study of the structural implications of downsizing on network destruction found that, the loss of friends had a negative impact on survivors’ attitudes regarding their employing organization. It was realized that when layoff victims were friends, it resulted in greater negative feelings toward the organization. The observation made in this study is consistent with previous survivor research findings indicating decreased organizational commitment after the loss of friends (Brockner, 1988; Brockner, Grover, O’Malley, Reed, & Glynn, 1993). In another study, Grunberg et al. (2000) provided some support for the attachment and identification issue. This in turn strengthens the view that emotional effect of layoff on a close friend or relation will be stronger than that of a mere coworker, because of the existing social ties and greater identification. (Brockner et al., 1987).
Previous Experience with Downsizing and Work Attitudes:

Survivors in an organization that has undertaken a downsizing exercise have been found to be relatively stable in their job attitudes compared to those who have never experienced one. In a survey of employees within a US telecommunications company, Armstrong-Stassen (1993a) found that after an organizational downsizing involving across the board workforce reductions, trust in the company was lost, and organizational morale had diminished. The findings also revealed that, surviving employees felt very insecure about their jobs. In addition, survivors who had seldom or never experienced redundancy in their department were found to have exhibited more negative reactions than those who had experienced numerous layoffs. This suggests that probably unexpected redundancies, especially in an organization where redundancies seldom or never happen are more likely to create strong negative responses from survivors. Contrary to this finding, Worall, Campbell and Cooper (2000) found that where redundancies have occurred, managers showed a substantially reduced sense of job security even though they had survived previous rounds of redundancy. Though what accounts for the inconsistent findings is not clear, the possible argument could be that, other considerations apart from survivors’ anxiety about their job security may have affected their reaction to the redundancies.

Organizational Status and Work Attitudes:

Even though much work has not been done regarding survivors’ organizational status and their work attitudes, one study found in relation to this was by Armstrong-Stassen (1997). The study set out to examine how female civil servants reacted to organizational downsizing. Results of the study revealed that women who are in non-management (i.e., those lower in the organizational hierarchy) administrative jobs perceived greater job insecurity than those in management positions.

Research Hypotheses:

Based on the literature review, theoretical assertions and other assumptions, it is hypothesized that:
1. Employees who perceive the downsizing process as unfair will exhibit lower job involvement than those who perceive it as fair.
2. Senior level employees will exhibit greater job involvement than their junior counterparts.
3. Employees whose close relations or friends were laid off will show lower levels of job involvement than their counterparts whose colleagues were mere coworkers.
4. Employees in organizations that have undertaken downsizing will show lower job security than those in organizations that have not undertaken downsizing.
5. Among employees in organizations that have undertaken downsizing, those who have never witnessed a downsizing exercise prior to the current one will show less job security than those who have witnessed at least once.

Research Methodology:

This study is basically to examine surviving employees’ perception of downsizing and how the closeness of contact, previous experience with downsizing and organizational status affect their work attitudes (job security and job involvement). Two categories of financial institutions were used due to the nature of the design. The first category involves institutions that have embarked on a downsizing programme while the second category consists of other “comparable” organizations that have not undergone any downsizing exercise at all at the time of data collection. Two financial institutions which had already undertaken downsizing around the same period were purposively selected for the first category. For the second category, three “comparable” financial institutions were also purposively selected for the study because they were comparatively smaller in size. In all, 300 respondents (150 for each category) were selected using simple random sampling technique. Out of the 300 questionnaires distributed, 200 were returned and completely filled out. This represents a response rate of 67%.

A structured questionnaire was used for this study. Job involvement and job security scales consisting of 10 and 7 closed-ended items respectively were used. Job involvement was measured using Kanungo’s (1982) 10-item scale. The scale was adopted because of its unidimensionality and the fact that his definition has become the accepted definition for job involvement (Brown, 1996). The internal consistency and test- retest reliability of the scale are 0.87 and 0.85 respectively (Kanungo, 1982). A pretest of the scale using 30 employees in a financial institution yielded a coefficient alpha of 0.73 and that for the actual study is 0.74. Hellgren et al. (1999) and Ashford et al. (1989) job insecurity scales were adopted and modified for the purpose of this study. The internal consistency reliability for the quantitative job insecurity was 0.79. A pretest of the modified scale using 30 employees in a financial institution yielded a coefficient alpha of 0.76. For the present study, the coefficient alpha is 0.62. In addition, the two questions that make up an additive index developed by Grunberg et al. (2000), was adopted by this study to measure perception of fairness. Coefficient alpha for this index was 0.66. Furthermore, two items under respondents’ personal information section was inserted for the purpose of locating respondents who had witnessed or survived a layoff exercise prior to the recent one. The first item was to tap the response, and the second item was inserted to help in discussing the findings.

Hypotheses were also tested using Analysis of Variance (ANOVA) and t-test for independent samples.
Results and Discussions:
Respondents’ Profile:
The research findings indicate that for the first category, there were 65 males and 35 females representing 32.5% and 17.5% respectively of all the 200 respondents. The age of these respondents ranges between 22 and 47 years, comprising of 8 managers, 62 senior staff and 30 junior staff. For the second category, there were 66 males and 34 females also representing 33% and 17% respectively of all 200 respondents. In addition, their ages ranges between 25 and 46 years, comprising of 18 managers, 37 senior staff and 45 junior staff. In effect, 65.5% of all respondents were male and 34.5% were female.

Table 1: Perception of Fairness, Organizational Status and Employee Job Involvement
Means and standard deviations (SD) of scores on Job Involvement as influenced by Perception of the Downsizing process and employees’ Organisational Status.

<table>
<thead>
<tr>
<th>Perception</th>
<th>Organisational Status</th>
<th>Mean</th>
<th>Sd</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Level</td>
<td>Unfair</td>
<td>44.69</td>
<td>7.57</td>
<td>36</td>
</tr>
<tr>
<td>Junior Level</td>
<td>Total</td>
<td>32.17</td>
<td>5.25</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>39.68</td>
<td>9.11</td>
<td>60</td>
</tr>
<tr>
<td>Senior Level</td>
<td>Fair</td>
<td>64.10</td>
<td>3.51</td>
<td>34</td>
</tr>
<tr>
<td>Junior Level</td>
<td>Total</td>
<td>57.00</td>
<td>1.13</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>63.93</td>
<td>2.32</td>
<td>40</td>
</tr>
<tr>
<td>Senior Level</td>
<td>54.79</td>
<td></td>
<td>11.35</td>
<td>70</td>
</tr>
<tr>
<td>Junior Level</td>
<td>Total</td>
<td>33.16</td>
<td>7.15</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>49.38</td>
<td>14.04</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 2: Summary of two-way ANOVA results showing the effect of Perception of the downsizing process and Organizational Status on employees’ Job Involvement

<table>
<thead>
<tr>
<th>Source</th>
<th>Ss</th>
<th>Df</th>
<th>Ms</th>
<th>F</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception</td>
<td>1787.36</td>
<td>1</td>
<td>1787.36</td>
<td>55.23</td>
<td>&lt; .01</td>
</tr>
<tr>
<td>Position</td>
<td>351.89</td>
<td>1</td>
<td>351.89</td>
<td>10.87</td>
<td>&lt; .01</td>
</tr>
<tr>
<td>Interaction</td>
<td>26.88</td>
<td>1</td>
<td>26.88</td>
<td>0.83</td>
<td>Ns</td>
</tr>
<tr>
<td>Error</td>
<td>3106.56</td>
<td>96</td>
<td>32.36</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>5272.69</td>
<td>99</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Testing of Hypotheses:
Hypothesis 1:
Employees who perceive the downsizing process as unfair will exhibit lower job involvement than those who perceive it as fair.

Hypothesis 2:
Senior level employees will exhibit greater job involvement than their junior counterparts.
In order to test hypotheses 1 and 2, the two-way ANOVA was used. Results from the analysis showed a significant effect of perception of the downsizing process on employees’ job involvement [F (1, 96) = 55.23, p < .01]. Meaning that employees who perceived the downsizing process as fair were found to be more involved in their jobs than their counterparts who perceived the process as unfair. This supports the hypothesis that employees who
perceive the downsizing process as unfair will show lower job involvement than those who perceive it as fair. Employees’ organizational status was also found to significantly affect their job involvement \[F (1, 96) = 10.87, p < .01\]. Senior level employees were found to be more involved in their jobs than junior level employees because, there was found to be a statistically significant difference between their mean score on job involvement (54.79) and that of junior level employees (33.16). Therefore, the hypothesis that senior level employees will show greater job involvement is supported. However, there was no significant interaction effect between employees’ organizational status and their perception of the downsizing process \[F (1, 96) = .83, p = n.s\]. Results of the study confirmed the two hypotheses, thus gives support to the suggestion that when layoff survivors view layoff procedures in their organization to be unfair, they are likely to exhibit decreased morale, self-esteem, organizational commitment, trust, and productivity (Konovsky & Brockner, 1993). It also supports other studies by Brockner et al., 1987, 1990; Davy et al., 1991; Grunberg et al., 2000; Brockner et al., 1985.

Hypothesis 3:
Employees whose close relations or friends were laid off will show lower levels of job involvement than their counterparts whose colleagues were mere coworkers results from the independent samples t-test revealed a significant difference in job involvement for surviving employees who had their close relations/friends affected by downsizing \[t (98) = 3.20, p < .01\]. From the mean scores on job involvement, employees whose close relations/friends were affected by the downsizing exercise had a significantly low job involvement (40.73), compared to those whose co-workers were affected by the exercise (47.20). As a result, the hypothesis that employees whose close relations/friends were laid off will show lower levels of job involvement than their counterparts whose colleagues were mere coworkers is supported. The results support other similar findings (Brockner et al., 1987; Brockner, 1988; Shah, 2000). This finding gives credence to the idea of social networks and cohesive influence resulting from the frequency, intensity and proximity of interaction. As a
result, the absence of cohesive actors may impact negatively on survivors’ attitudes and behaviours leading to a feeling of greater layoff exposure, social isolation and decrease in number of interaction partners.

**Hypothesis 4:**

Employees in organizations that have undertaken downsizing will show lower job security than those in organizations that have not undertaken downsizing.

The independent samples t-test used to analyze the data revealed a significant difference in job security between employees in organizations that have not undertaken any downsizing and those that have undertaken downsizing \[t(198) = 4.93, p < 0.001\], thus, supporting hypothesis 4 and confirming earlier studies (Cameron et al., 1993; 1982; Worall et al., 2000; Allen et al., 2001). Probably this resulted from survivors’ fear of job loss in future layoffs or a fear of the unknown. When survivors are not certain about their own future in terms of their job, they are likely to show greater job insecurity in the event of a downsizing exercise.

**Hypothesis 5:**

Among employees in organizations that had undertaken downsizing, those who had never witnessed a downsizing exercise prior to the current one will show less job security than those who had witnessed at least once.

Results from the analysis revealed a significant difference in the job security means regarding the number of times employees had witnessed or experienced downsizing \[F(2, 102) = 3.09, p < .05\]. A post-hoc analysis of the three different means indicates that there was no significant difference between those who experienced downsizing once (32.14) and those who experienced it twice (36.85). There was also no significant difference between those who had experienced it twice and those who had experienced it thrice or more (38.97). However, a significant difference was found between employees who had experienced it once and those who had experienced it thrice or more. This implies that the greatest impact in terms of greater degree of employees’ job security occurred when the frequency of exposure to downsizing was high as found by Armstrong- Stassen (1993) probably because survivors have developed the kind of psychological adjustment needed to counteract the looming anxiety that accompanies downsizing exercises. It is important to state that the finding is however inconsistent with that of Worall et al. (2000) in which managers showed a reduced sense of job security despite the fact that they had survived previous rounds of redundancy. Though the inconsistent findings may not be immediately accounted for, it is believed that other considerations may have influenced survivor’s reaction to the redundancy.

**Conclusion:**

The findings of the study have revealed that issues of perceived fairness, social networks, previous experience with downsizing and employees’ organizational status are essential and critical determinants of employee attitudinal reactions in a post-downsizing environment. As a result, organizations should exercise greater caution when dealing with victims and survivors of downsizing to ensure a harmonious relationship that will promote favourable attitudinal and behavioural responses in a post-downsizing work environment. It is therefore recommended that management must be more transparent about downsizing issues in order to reduce the anxiety and fear that usually characterizes such exercises. In this regard, downsized victims must be given reasonable prior notices and also be properly communicated to. It is important to point out that most of the survivor responses in this study as to why they perceived the downsizing process as unfair had to do with short prior notices to victims, lack of transparency in the whole process and inadequate severance packages. In addition, organizations are expected to manage downsizing programmes in ways that would not disrupt social networks unnecessarily since such disruptions may negatively affect survivors work attitudes.

One limitation of this study has to do with the timing of the downsizing in the organizations used which had occurred at completely different times. Another limitation has to do with the fact that data collection was limited to a few branches of the organizations concentrated in the capital city. Finally, compared to organizations that had undertaken downsizing, the organizations which had not undertaken downsizing at the time of data collection had been in existence for a relatively shorter period which could affect their comparability in real sense and to some extent the generalizability of the findings. Further research could consider using a single organization and broadening the sample net. In addition, a longitudinal study could be done on a basis to assess the impact on survivors over a period of time (i.e. pre, during and post-downsizing).

**References:**


