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ORGANIZATIONAL REPERCUSSIONS OF PERSONNEL CUTBACKS:
IMPACT OF LAYOFFS ON RETAINED EMPLOYEES

Conceptual Framework and Empirical Research

by

MAURITZ DAVID BLONDER

A dissertation submitted to the Graduate
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ment of the requirements for the degree

of

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1976

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Abstract

ORGANIZATIONAL REPERCUSSIONS OF PERSONNEL CUTBACKS: IMPACT OF LAYOFFS ON RETAINED EMPLOYEES

by

Mauritz David Blonder

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Questionnaire data were obtained from 171 professionals who worked for six organizations that had experienced mild to severe layoffs over the past three years. The purpose of the study was to ascertain the impact these layoffs had on retained employees. More specifically, the study sought to determine whether or not and to what extent the attitudinal and motivational consequences of severe layoffs were moderated by individual differences. Toward that end, the following variables were tested: work-ethic, self-esteem, organizational level, occupational and geographic mobility, financial independence, and retained employees' experiences with situations of role ambiguity, task uncertainty, and participative management.

While, as expected, severe layoffs, everything else assumed equal, had more dysfunctional repercussions on retained employees than mild payroll reductions, in all but one subsample, the differential impact of retrenchment severity proved tenuous at best. Furthermore, none of the moderators showed strong and consistent evidence of their predictive value across all dependent variables measured. Partial and modest support, however, was generated by self-esteem, perceived participation and task uncertainty, and by occupational mobility.

Elsewhere, "severity of layoffs" as prime independent variable, either neutralized the impact of the moderators tested, or the results obtained were at variance with those predicted on the basis of the hypotheses. Particularly noteworthy among the latter group were the moderately strong positive correlations between work-ethic and the measure of company satisfaction. A follow-up study, discussed separately in Appendix C, essentially replicated these findings as well as the other results.

The theoretical significance of the findings was analyzed in terms of the current re-examination taking place concerning the basic role of moderator factors in behavioral research (Cronbach, 1975) and contingency theory (Korman, 1973, 1974). The practical implications of the study was discussed in terms of questions relevant to developmental efforts and operating policies.

The statistical examination of data was based on two-factor analyses of variance and zero-order correlations. To determine and control for interaction effects between and among variables tested, first-order-partial and second-order-partial coefficients were calculated as well. However, most partials proved negative in that they confirmed the independence of separately measured factors and through that reinforced the lack in predictive power of most moderators tested. Where they enhanced the understanding of findings, they were mentioned and separately discussed.

Because of topic sensitivity, sample selection was particularly challenging. Partly to share this experience with the reader, and partly for the implications others engaged in similar research can draw from it, chapter two describes in some detail the chronicle of activities necessary in securing data for this project.

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While assuming full responsibility for the content and writing of this dissertation, I feel obliged to acknowledge at least some of the many individuals without whose generous assistance, active interest, and strong encouragement the project would never have been realized. Into this category fall, above all others, my family who gracefully endured without losing confidence in the eventual completion of the project, and Dr. Abraham Korman and the other members of the supervisory committee who professionally quarterbacked my research efforts to their successful conclusion.

My sincere thanks are also extended to the many executives without whose understanding, courage, and cooperation I would still be searching for empirical data, and to Jack McArdle, Jeff Latham and the other fine team members of the Hofstra University Computer Facility whose expert and untiring advice greatly facilitated the data analysis. Last, but not least, I owe a great debt of gratitude to Dean Harold Lazarus of the School of Business of Hofstra University and to my colleagues there for their constant encouragement and support.

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Brooklyn, New York

Mauritz D. Blonder

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CHAPTER ONE

Conceptual Framework of the Study

Modern organization theory conceptualizes the contemporary firm as an open system. According to this view, the responsibility of management centers around optimizing organizational effectiveness in the face of varying degrees of environmental uncertainty. Severe environmental uncertainty reflects conditions which affect administrative activities in significant ways but are difficult to cope with because they cannot be easily anticipated and controlled. Coping therefore becomes a matter of adapting to the constraints. Such as process ultimately depends on how management in general and company personnel in particular react or respond to the adverse contextual interference.

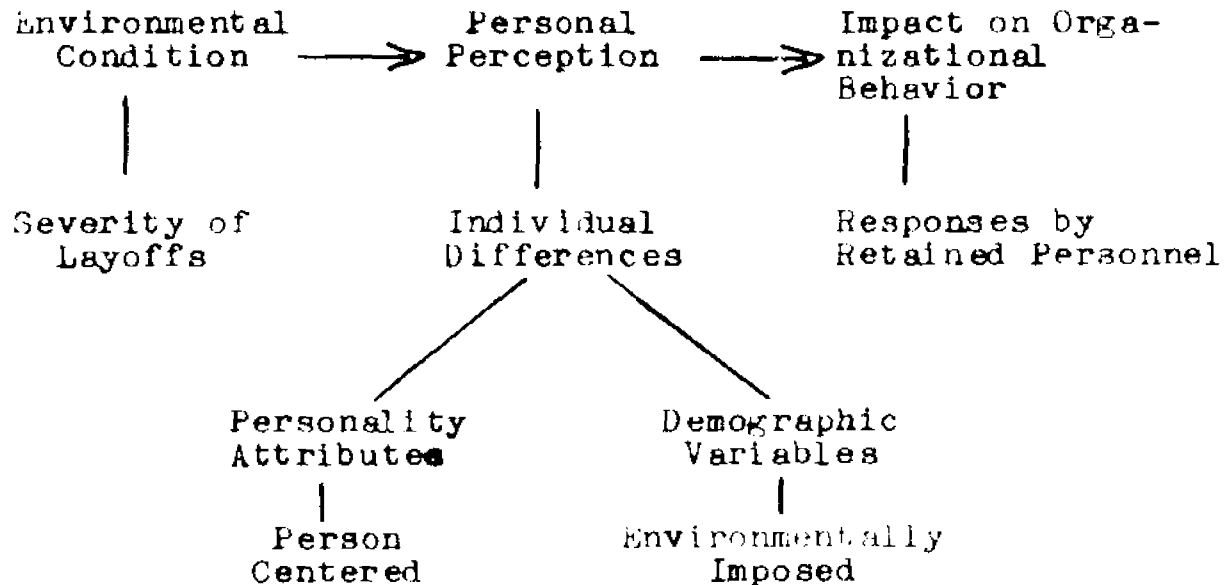
Despite the pioneering work in applying open system theory to management by such writers as Baker (1973), Katz and Kahn (1966), and Kast and Rosenzweig (1972), and its recent widespread adoption by many others, only few systematic studies are available on how organizations cope with specific conditions (Anderson, Hellriegel, Slocum, 1975). One area of environmentally induced stress which has received virtually no research attention are payroll reductions precipitated by the cyclical recurrence of economic recessions and how they affect retained employees.

Motivated by this paucity of relevant information and by recent employment trends in the United States which indicate that layoffs have indeed become a "real" problem with which many companies had had to cope, this project set out to examine and empirically research the organizational repercussions of personnel cutbacks, and start out in the direction of developing a body of practical decision guidelines in this regard. More specifically, the investigation focused on the personal and work-related attitudinal and motivational impact of layoffs on retained employees.

The simplified research model on the next page outlines the problem investigated in the dissertation. Layoff severity is shown as independent variable which generates employee responses. However, the responses by retained personnel are assumed not to be the same for all, but instead differentiated as a function of the perceived consequences of the environmental crisis by individuals. A negative reaction is presumed to manifest itself in resentment and cynicism toward management for layoff of co-workers, in personal anxiety and an increase in absenteeism and inefficiency. A positive response is presumed to result in enhanced job effort and an attitude which combines sympathy for the laid-off workers and understanding for the predicament management faced when the separations occurred.

The model assumes that both situational and individual factor determine differences in personal perception of the layoff event. One important situational

Simplified Research Model



influence on employee responses is how well the firm prepared workers through counseling for post-separation adjustment, and through job information for re-employment; i.e., how well the firm "handled" the situation and succeeded in evoking feelings on the part of retained workers that the separation was involuntary, unavoidable, and the alternative of last resort, and finally, that sincere attempts were made to smooth the exist of those directly affected by the retrenchment. (Because of difficulties in securing appropriate information, situational factors could not be systematically researched in this project.)

Salient individual factors which were presumed to determine perceived consequences of layoffs in re-

tained employees, and shown in the research model as both person-centered and environmentally imposed demographic variables, were organizational rank, experience with situations of role ambiguity, task uncertainty and participative management. Equally significant was assumed to be the willingness by retained employees to relocate within the United States or overseas, their readiness to change occupations, and their status as family supporter. Finally, as postulated here, reactions by retained employees were assumed to depend also on their self-described and work-related personality attributes of self-esteem and work-ethic.

SELF-ESTEEM reflects a person's characteristic evaluation of himself as an individual (Korman, 1967, 1970); i.e., his evaluation of his proficiency for attaining job success and job satisfaction, and his perception of his capacity for coping with adverse life situations in general. WORK-ETHIC can be best defined as a person's characteristic perception of work in general as worthwhile and meaningful (Blood, 1969). It reflects a dedication to work, not for its extrinsic rewards, but for its normative or "moral" properties as a legitimate and desirable end in its own right. In short, it is a behavioral predisposition consistent with the precepts of the Protestant or Puritan Ethic. Thus, the focus of research in this project and the basic proposition it tests are as follows:

Under conditions of severe layoffs, differences in individual factors as defined are significantly related to differences in personal reaction of retained employees.

Significance and Literature Review

In view of current industrial realities, the research topic has strong and obvious practical relevance. Its conceptual significance derives partly from the fact that it concerns a subject matter in the broader area of organizational behavior to which little attention has been paid in the management literature.

David Meredith of McKinsey & Co. stated a number of years back that while consultants have theories on employee retrenchment, too little time has been devoted to the issue of how layoffs affect retained employees: "I am not sure anyone has really looked at the repercussions of the cutback on the people remaining." *)

A thorough search of the trade and scientific literature for relevant information led to the following conclusions:

- Textbooks virtually shun all aspects relating to layoffs. An examination of thirty-six commonly used textbooks in general management, behavioral and personnel management, and published mainly since the second half of the 1960s, showed that

*) "Can Companies Deal with Cutback Jitters," Business Week (April 24, 1971), pp. 88-89.

only seven offered a cursory treatment of the general layoff topic. Not one intensively analyzed the subject matter from an organizational perspective.

- Journals are abound with articles on the general subject, as are books, but they also do not focus on the problem researched here: For example:
- Some address themselves to the layoff process. In this category fall writings by Burger, 1972; Goding, 1972; Serbing, 1965; Steinmetz, 1968; Stryker, 1954; and Sweet, 1971.
- Others treat layoffs as a socio-psychological phenomenon and focus on the dislocation they create for the individuals affected by them and their families, and on the process of post-separation adjustment. In this category, one finds writings by Powell and Driscoll, 1973; Tiffany, 1970;, and Brenner, 1967.
- Still others focus on re-employment opportunities of displaced workers. This topic is covered by Eaton, 1971. Faltenmeyer, 1973; Fishman, 1968; Rittenhouse, 1967; P. Thompson, 1972; and W. Thompson, 1966

Three studies were located that come close to examining the layoff issue from the perspective of organizational repercussions. However, all three fall short of this paper's objectives. One focuses on

post-separation changes in job attitudes, but restricts itself to a consideration of demographic differences. The other two focus on the impact of anticipated job loss on job attitudes. One of the two in the latter category fully ignores individual differences. The other is a longitudinal field study on the socio-psychological consequences of the announcement to close Naval shipyards and does consider individual differences.

Gannon, Foreman, and Pugh (1976) were interested in determining the influence of a reduction-in-force on the attitudes of displaced engineers toward their former employer as compared to that of retained employees. They studied a division of a large corporation which was concerned with government defense contracts. During the 1970-1972 recession, the division was involved in two layoffs. Gannon reasoned that unemployed engineers are bound to experience a high level of cognitive dissonance because "their professional status and integrity are being threatened" by layoffs. They therefore suggested that much like other workers facing involuntary separation, engineers can also be expected to show syndromes of anxiety and hostility toward the company that let them go. In fact, engineers can be presumed "to feel that they have been betrayed by their employers, even to the extent that militant unionization of this professional group is now more than a mere possibility."

The data the researchers obtained did not support their hypothesis. The attitudes toward the compa-

ny by retained employees who sent back the questionnaire (some 54 per cent of 300 employees contacted) did not differ markedly from the responses of the displaced engineers who had sent back their questionnaires (some 56 per cent of the 208 former employees contacted). Indeed, those terminated had an even cheerier outlook toward "their careers and the wisdom of their career choice." They felt more positive about their ability to adapt to non-defense work.

The authors offered two explanations for these unexpected findings. One evolved around the logic that many of the terminated engineers who returned the questionnaire may already have found work in civilian employment. It is quite possible that had all returned their answers this response bias would not have occurred and the findings would have been distributed differently. Secondly, terminated engineers, possibly looking for a silver lining in their otherwise gloomy experience "felt more strongly than current engineers that professional societies" would "provide the mechanism for converting their skills from defense to non-defense work." Ignored in these explanations were personality differences. The article also did not indicate whether the authors accounted for the moderating impact of unemployment duration, a factor found important in the build-up of anxiety, doubt, dejection, and depression (Powell and Driscoll, 1973).

In line with the conceptualization of self-esteem offered in greater detail below, it may be

proposed that of the engineers terminated, the ones with high self-esteem invoked the protection-of-ego reaction and retained cognitive consistency by projecting in their answers their continued confidence in swift re-employment. In regard to the impact of unemployment duration, it may be assumed that of the terminated employees who sent back the questionnaire, most were recent victims and, therefore, still relatively relaxed, hopeful to get work quickly, and quite comfortable because of unemployment compensation. On the other hand, many in the 44 per cent of the sample who did not reply may have already entered the post-separation stages of greater emotional damage.

Hershey (1972) conducted an empirical study of the effects on organizational behavior of job loss anticipation in a sample population of manufacturing, non-supervisory, hourly paid personnel in four companies located in the northeastern United States. He found no appreciable difference in production efficiency, absenteeism, and lateness between a group of twenty-five workers to be laid off and a group of twenty-five workers to be retained. Indeed, as the most striking revelation of the data, the findings were not in the expected direction and thus "at variance with the 'observations' and expectations of experienced managers." As it turned out, of the two groups having advanced notice of the layoff, the production of the group to be laid off increased slightly during the anticipatory period as compared to the performance of the non-laid-off group, while the former's absenteeism decreased slightly.

Hershey suggests that the desire to earn as much money as possible before being terminated could conceivably account for the increased productivity of the laid off group. Lower absenteeism could similarly be explained, even though "one might logically have expected that this group would take time off from work to seek other employment."

In some ways, Hershey's research is similar to the inquiry pursued here. But unfortunately, he confined himself to an examination of production and administrative records. He neither sought nor obtained personal information about his subjects which would have been useful in tying work-related responses to individual differences.

In their comprehensive research study on the socio-psychological consequences of the announcement to close Naval shipyards, Zalkind and Dispenzieri (1973) tried unsuccessfully to relate various personality variables to differences in job satisfaction under varying stress conditions. They defined stress "by whether or when a yard was to close."

The researchers concluded that: (a) the results showed no initial or longitudinal shift from satisfaction to dissatisfaction. This was explained by the suggestion that "the civil service setting minimizes those situational differences that would appear under other job change conditions;" (b) only the anomie measure showed some statistically significant correlation within more than one yard. This finding was almost apologetically explained away with the statement that "with thousands

of intercorrelations available from data in three yards (Portsmouth, Brooklyn, and Norfolk), there were naturally some that could meet tests of statistical significance.

The chapter now proceeds with an analysis of the hypotheses proposed for this project.

Hypotheses

As an environmentally-induced stress situation, layoffs have potentially dysfunctional repercussions on the work behavior of retained employees. However, it is reasonable to assume that, everything else assumed equal, the severity of separations themselves will influence the extent of the impact. Sporadic and/or minor layoffs may evoke few statistically significant differences in criterion measures. Severe ones however, should provide a clear response pattern; i.e., they should produce negative responses except that, as postulated here, these adverse reactions will be mitigated by a number of moderator variables. These will be specified below.

Thus, an initial aspect of the environmental condition which determines whether or not it will be perceived as stressful is the nature of the condition itself. This suggests the following hypothesis.

Hypothesis 1:

Everything else assumed equal, the more severe the layoff, the more dysfunctional its impact on personal anxiety, work-related attitudes, and motivation of retained employees.

Depending on how significant and relevant they perceive it to be for them, the same stress object can produce varying levels of frustration in different individuals. To account for these contingencies, a number of additional hypotheses have been developed. Indeed, a primary purpose of this project is to ascertain whether or not, and the extent to which, individual differences moderate the relationship between layoff severity and criterion measures stipulated in the Introduction. Toward this end, the value of the following moderators will be tested:

Work Ethic

As defined earlier, a person's work ethic orientation is his "characteristic perception of work in general as worthwhile and meaningful, regardless of specific reciprocal expectations."

Ostensibly, the issue of why people work at all is a very "simple-minded" one which at one time or another in the course of their life times is brought up "by every man and almost every woman" (Vroom, 1964). But it has only recently been raised as a focal point of study in scientific research. As a moderator variable useful in organizational research to clarify individual reactions to work conditions, the construct has yet to be well defined and construct validated. Only preliminary attempts have been made to operationalize it; its application in this research therefore contributes further

to the determination of its construct validity and of its status as correlate.

Based on the existing literature (Blood, 1969, Merrens and Garrett, 1975, Wollack, Goodale, Wijting, and Smith, 1971) and from "proprietary" and historical information available, the following assertion can be made about the basic dimensions of work ethic as a moderator variable of layoff severity:

The person with work ethic has a strong "sense of industry. He views "work" as a moral obligation, "intrinsically" rewarding and, therefore, worth doing well. Under conditions of perceived job security, the high-work-ethic individual becomes an asset to the firm. Since he regards success the result of hard work, he is less likely than employees with low work ethic to be provoked into complaining about job benefits and job conditions. He is similarly less likely to insist on "instant" advancement. On the other hand, he is more likely than employees with low work ethic to be conscientious and reliable. He is similarly more likely to be authoritarian submissive and welcome structural re-gimentation.

The opposite is true under conditions of adverse job security. Thus, the perceived threat of personal job loss accompanying high levels of layoff of fellow workers arouses in the high-work-ethic individual intense anxiety. He dreads the prospect of idleness because unemployment implies to him a loss of personal dignity he finds difficult to cope with. His work related behavior and attitudes will be likewise adversely affected.

These considerations lead to the following testable hypothesis:

Hypothesis 2: Under conditions of severe layoffs, the higher the retained employee's work ethic orientation the lower this level of work motivation and the more negative his personal and work-related attitudes.

Self-Esteem

The theoretical significance of this research project is partially predicated on the assertions that

(a) while a considerable amount of both industry and non-industry-related research with self-esteem as central moderator variable is available, no direct application to a layoff situation was found in the literature, and

(b) that the field test suggested for this study departs from and complements existing applications of Ghiselli's Self-Assurance Scale (1971). For the most part, research on self-esteem has been conducted and continues to be conducted (Greenhaus and Badin, 1974) in experimental settings.

Korman (1967, 1970) defines self-esteem as a "person's characteristic evaluation of himself as an individual." As such, it is a consistent and stable behavioral predisposition which the person acquires as part of his

growth process and as a result of situationally induced social evaluations.

The high-self-esteem individual has confidence in his skill and fortitude to cope effectively with stress situations. When applied to the problem studied here, this behavioral predisposition suggests the following two interpretations:

(a) The high-self-esteem individual is known to choose work he can perform well, is motivated by, and finds satisfying (Korman, 1968, 1971; Greenhaus and Badin, 1974). He therefore believes firmly that his contributions to the firm are sufficiently significant to spare him in a layoff. If he is indeed retained, his ego is enhanced and his sentiments toward the company are reinforced.

(b) The high-self-esteem employee who survives a layoff is confident he could find easily another job should he be terminated. He sees little reason for worry. As a consequence, his work behavior does not suffer. If pressure intensifies, he is apt to quit. This conclusion is based on the premise that the high-self esteem individual will attribute success to his own competence and blame the environment for failure (Feather, 1969). Thus, if he perceives the environmental condition of mass layoffs as overly stressful, he will likely resort to the protection-of-ego reaction and leave employment voluntarily instead of waiting to be terminated. This course of action allows him to maintain cognitive consistency and continued self-respect (Wiener, 1973).

The low-self-esteem individual, on the other hand, has low self confidence in his abilities and a generally low "evaluation of himself as a person." He is, therefore, likely to reject the "unexpected success" of retention as inconsistent with his self perception (Mettee, 1971; Wiener, 1973). Convinced that his retention is temporary and that his days with the firm are numbered, his personal and work related attitudes and behavior will suffer. The adverse effects the layoff of others precipitate in him can partially be checked by management assurances of retention, since such actions are ego-building to him (Aronson and Carlsmith, 1962; Cottrell, 1965).

This analysis suggests the following hypothesis:

Hypothesis 3:

Under conditions of severe layoffs, the higher the retained employee's self-esteem, the higher his level of motivation and the more positive his personal and work-related attitudes.

Role Ambiguity

Role ambiguity is generally defined as lack of perceived clarity in rules pertaining to one's work behavior. Recent research ties role ambiguity to dysfunctional work behavior (e.g. Rizzo, House, Lirtzman, 1970; Organ and Greene, 1974). As a source of role ambiguity, layoff of others can be assumed to produce similar reactions.

On the other hand, retained employees who do not allow their work behavior to be inhibited by the lay-off of others may be said to demonstrate tolerance for role ambiguity. Such tolerance may be an inherent personality attribute (House, 1970), or it may be a learned response as result of repeated exposure to situations of role ambiguity. A recent study bears directly upon this latter interpretation.

Using a sample of 383 undergraduate students from three campuses, Korman (1971a) studied the impact of locus of control and environmental ambiguity on satisfaction. Expecting to find a negative correlation between ambiguity and satisfaction, he instead established that there was little differentiation in satisfaction between high ambiguity and low ambiguity conditions, regardless of locus of control.

More specifically, his findings in Study I and Study III --conducted on campuses "involved in considerable change and unrest"-- led him to suggest that both campuses "had been involved in ferment so long and and 'changes' had become so common that perhaps they had become accepted as part of the landscape, even by the low-control people. Hence, there was no sense getting very excited or unhappy about such ambiguity and lack of clarity...." In essence, the degree of "normal" environmental variability "was strong enough so that tolerance for ambiguity developed for the general sample overall and it was not necessary to change the self control aspects of the environment in order to increase tolerance for ambiguity."

Hypothesis 4:

Under conditions of severe layoffs, the greater the retained employee's experience with situations of role ambiguity, the higher his level of motivation and the more positive his personal and work-related attitudes.

Participation and Task Uncertainty

Individuals with employment experience in organizations that have participative management and where tasks are characterized by diversity and challenge are more likely to tolerate layoffs of fellow workers than employees from administratively centralized organizations with paced and programmed task structures.

Organizations with participation and task uncertainty offer job holders tasks which are ego-enhancing, challenging, and intrinsically satisfying. Furthermore, such firms emphasize managerial grooming and employee development. By delegating authority to subordinates, they in essence train their employees to cope effectively with change, thereby lessening the resistance change otherwise often arouses (Lawrence, 1970). By losing its anxiety provoking properties, change is more easily adjusted to. It also becomes more acceptable as an inevitable by-product of the organizational growth process. Consequently, if one views layoffs as a change agent, they are likely to have fewer adverse consequences on employees of these organizations.

Hypothesis 5:

Under conditions of severe layoffs, the higher the retained employee's experience in non-hierarchical work organizations, the higher his level of motivation and the more positive his personal and work-related attitudes.

Organizational Rank

Higher level employees are more likely than lower level employees to feel safe and sheltered from layoffs. While this assertion is a-priori, its basis has broad, though not unanimous, empirical support, and a strong conceptual foundation.

Individuals employed at higher organizational levels enjoy greater support from the organization since they are the focus of attention and admiration for more people (Rice and Mitchell, 1973). As compared to lower ranked employees, they also have greater opportunity for self-actualization, more prestige and more power, and hence, they manifest stronger satisfaction. Similarly, because of their greater perception of shared characteristics with the firm, they are also more motivated and committed to it.

The empirical support for the level-satisfaction relationship is equivocal. On the one hand, there is the pivotal study by Porter and Lawler (1965) which states

conclusively that "job satisfaction or morale does increase monotonically with increasing levels of management," and more recent studies which corroborate the earlier findings (Cummings and El Salmi, 1970; Herman and Hulin, 1973). On the other hand, a number of studies seem to cast some doubt on the level-satisfaction relationship (Hall, Schneider, and Nygren, 1970; Hall and Schneider, 1972; Hrebiniak and Alutto, 1972). While these studies weaken the evidence concerning the positive correlation between organizational rank and satisfaction, they do not refute the prevailing viewpoint.

As far as motivation is concerned, individuals employed at higher organizational levels are generally more interested in their work than those below them because higher level positions offer greater opportunity for creativity, initiative, achievement, meaningful work, and functional control, and in general, tap abilities and aspirations that are relevant and important to the job holder (Armstrong, 1971; Lawler and Hall, 1970). The net result is greater identification with organizational aims (Hall, Schneider, 1972; Lee, 1971; Shaw, 1971); a heightened sense of ego-involvement (Sheldon, 1971; Vroom, 1962); and a higher stake in organizational effectiveness (Becker, 1960).

Hypothesis 6:

Under conditions of severe layoffs, the higher the retained employee's organizational rank, the higher his level of motivation and the more positive his personal and work-related attitudes.

Occupational Mobility

The prospect of unemployment with accompanying hardship and dislocation appears less threatening to the resourceful and flexible person who feels that he has transferable skills, and who is willing to change jobs (at first, often at a temporary cut in salary). The individual's perceived ease of movement (March and Simon, 1958) within the same company (transfer), or between companies allows him to cope satisfactorily with the stress situation at hand, and counteracts its potentially eroding impact on his personal and work related behavior and attitudes. This suggests the following hypothesis.

Hypothesis 7:

Under conditions of severe layoffs, the higher the retained employee's occupational mobility, the higher his level of motivation and the more positive his personal and work-related attitudes.

Geographic Mobility

The intention by a retained employee to relocate and look for work elsewhere, should he be laid off, will ease the anxiety surrounding the situation. A number of research studies back up this assertion.

According to one set of findings (Fishman, et.al., 1968) those unemployed who express a willingness to change jobs and relocate find jobs faster and suffer less loss of salary than those unwilling to do so. Another study qualifies these conclusions (Chamberlain, 1974) and states that age, local job conditions in area moved to, time of layoff (there is greater gain from mobility for those laid off later in a manpower re-trenchment program), quality of job information made available to those laid off, as well as sheer luck and perseverance are additional factors which must be taken into account.

Thus, by and large, the retained employees willing to relocate in the event of their own termination, when compared to those with strong community roots and family ties and reluctant to move, are less adversely affected by a layoff of fellow workers.

Hypothesis 8:

Under conditions of severe layoffs, the higher the retained employee's willingness to relocate, the higher his level of motivation and the more positive his personal and work-related attitudes.

Family Support

To employees who can count on financial support from other members of their family, job loss is less

threatening than to those who are sole providers. The possibility of job loss for retained employees is similarly less frustrating. The availability of alternate income sources evokes feelings of being able to get by in case of a layoff. This reduces the burden of family support and eases a worry which would otherwise adversely affect attitudes and behavior.

Only indirect support was found for this contention in the empirical literature. This support came from a small number of studies dealing with retention (or layoff) criteria and from a few surveys investigating the issue of post-separation adjustment.

In one study of retention criteria (Slater, 1971), 690 personnel managers responded that workers with large families or those with the status of sole or principal support, everything else being equal (principally seniority and efficiency), incur considerably less risk of separation. People with fewer dependents, or those with multiple sources of income, were thought to experience less hardship from unemployment; therefore, to be more vulnerable to layoff.

In his study of the Dyna-Soar Contract cancellation, Wiseman (1965) found similarly "some negative correlation between unemployment rates for men and the number of dependents; the more dependents, the less likely they were to be unemployed." Thompson and Taylor's (1966) study of the re-employment experience of employees laid off by the Martin Company, a major government contract firm in the Denver area, offered additional indirect support. Their data indicates that "those who re-

lied on other working members of the household for support during the (re-employment) search period sustained the largest duration of unemployment." Having other members of the household working, "they could more easily sustain longer unemployment," and look for more suitable jobs.

While indirect and analogous, these findings are pertinent to the sense of the following hypothesis. Since they are consistent with its substance, the hypothesis can be accepted as sufficiently plausible to warrant field testing.

Hypothesis 9:

Under conditions of severe layoffs, the higher the retained employee's reliance on other members of his family for financial support, the higher his motivation and the more positive his personal and work-related attitudes.

These nine hypotheses, drawn up on an a-priori basis, form the focus around which the empirical research evolves. A discussion of the research methodology follows a brief summary section.

Summary

The conceptual framework presented at the beginning of the chapter defines an organization as an open system. As such, its operations are affected by environmental constraints over which management has little control. As one such environmentally induced condition, layoffs can be expected to strain internal resources in general and adversely affect retained employees in particular.

Though economic recessions in the United States have precipitated mass layoffs with some cyclical regularity since the end of World War II, their impact on retained employees have been until recently neither formally acknowledged nor systematically studied. However, in view of recent massive manpower retrenchments in industry and public administrations alike, a conceptual analysis and empirical investigation of the organizational repercussions layoffs precipitate is clearly called for. Of late, both academicians and professional managers have increasingly recognized the need to understand better how retained employees react to the layoff of fellow workers.

These conditions provided the rationale for undertaking this research project.

After establishing the relevance and practical significance of the topic, the chapter developed and thoroughly discussed nine testable hypotheses. These hypotheses were based on the general proposition that while severe layoff will precipitate more adverse reactions in retained employees than mild ones, the reactions will be not uniform but moderated by a number of individual differences. These will induce differences in response patterns in the criterion measures of work motivation, personal anxiety and work-related attitudes.

The next chapter focuses on research methodology. More specifically, it describes the process of sample selection, the nature of sample composition, and the development of the research instrument used in obtaining raw field data.

CHAPTER TWO

Research Methodology

The field study method was chosen as the methodologically most appropriate research approach for collecting data in this project.

Employees from six organizations cooperated in the field survey. Of 300 questionnaires distributed, 171 were returned. This represents an overall response rate of 57 per cent with a range of 85 per cent for the most cooperative organization to nearly 40 per cent for the organization with the most reticent employees.

All returned questionnaires were found to be usable. Though some did contain a number of unanswered items, responses to the principal scales were present in every case. The missing data were concentrated in two areas of the questionnaire. One of these primarily focused on the demographic question which inquired about the number of promotions, transfers, and demotions respondents had experienced in their present place of employment. For some unexplained reason, several respondents did not react to these statements one way or the other. Since answers to these particular items in no way materially affected any of the hypotheses tested, they were simply ignored in the computer processing. This solution facilitated an undisturbed processing of the

rest of the questionnaire.

The other area of missing data was concentrated in a small number of statements related to the hypotheses of occupational and geographic mobility. Though less than 10 respondents failed to respond to any one of the relevant items, the analysis of these two hypotheses were separated from that of the others. This was done to avoid the default missing-data option of "listwise deletion" built into the SSPS program which would have been otherwise put in effect. In the absence of separate analyses, the "routine" of listwise deletions establishes the workable N on which all (partial) correlation coefficients are computed on the basis of the variable with the largest amount of missing data (Nie, Hull, Jenkins, Steinbrenner, Bent, 1975, p. 313). The practical effect of separate analyses was to minimize the reduction in sample size for the calculations of the affected variables and to avoid compromising the remaining hypotheses. Since each of the hypotheses is self-contained, the slight variation in sample size between some of them does not noticeably weaken the predictive value of the respective moderators tested.

On the basis of a descriptive analysis of the six participating organizations according to the individual characteristics of respondents, the total sample was divided into two independent groups of matched subsamples on the basis of both "layoff condition" and "product orientation." The result was four independent subsamples, three of which consisted of respondents from one organization, each. The fourth subsample com-

bined respondents from the three remaining and demographically comparable companies. As will be demonstrated further on in this chapter, this breakdown is statistically more defensible and conceptually sounder than a simple split according to layoff condition only.

As a description of research methodology utilized in this project, this chapter will relate the systematic and orderly process involved in developing the survey instrument, in establishing scale reliability, and in classifying and arranging the information into the aforementioned grouping of four subsamples. However, research methodology also concerns what may be said to be the craft or "art" or research involved in gaining data access and in managing the actual data collection process. The chronicle of what the researcher actually gets involved in to secure information in the field often deviates substantially from carefully composed plans and comes to resemble "a disorderly movement... full of unexpected emergencies...where the circumstantial, the irrational, the nonrational" seem to become the norm (Hammond, 1967).

To be sure, both aspects of research behavior are indigenous elements of the scientific process, but the latter activities are often ignored in the formal write-up of research studies, or they are presented as so straight forward that the unwary reader is left with the impression that they are not worth explicating. Because of the unusually sensitive nature of the research topic chosen for empirical investigation here,

the difficulties encountered by this researcher in gaining data access seemed anything but routine, to say the least. It is, therefore, particularly appropriate and instructive to provide a brief account of the procedure I had planned to follow as well as of the actions circumstances led me to pursue.

The chronology of events surrounding sample selection is told in narrative prose. This style lends itself best for conveying the challenge, elations, and frustrations I often felt in trying to secure the cooperation of company executives.

Sample Selection

The original "game plan" called for sending letters of solicitation to a number of organizations located in the Greater Metropolitan Area of New York that had experienced recent business setbacks and subsequent layoffs. I hoped some would return the letter, invite me to a meeting where details can be discussed, and ultimately agree to cooperate and allow me to submit a one-hour questionnaire to a cross-sample of their employees on company premises.

A carefully worded letter was readied for mailing. It mentioned the topical nature of the subject matter researched, the original perspective of the investigation, and the practical significance of the study. It also contained a brief passage on questionnaire distribution and collection. Finally, it promised submission of summary statements on findings upon request and full anonymity to participants. Because the topic is sensitive I felt that officials in most organizations would not allow their employees to participate unless strong assurances of confidentiality were offered. I reasoned that intent on preserving an achievement image despite business reversals, they would find any question perceived to be about matters which connote failure unsettling and objectionable.

The letter, a specimen of which is shown in Appendix A, made the following arguments:

- Unlike the many studies currently turned out on unemployment with their emphasis on the unemployed, this investigation stresses the organizational repercussions of personnel cutbacks. It is therefore particularly relevant from the point of view of management.
- The practical significance for policy development is hinted at by indicating the study's implications for such personnel management areas as recruitment and employee relations.
- Researcher will discuss findings and recommendations with management, apprise them fully of the nature of the project in advance of assessment, and submit summary statements on findings to employees questioned, if requested.
- Employees who volunteer to participate will not identify themselves. Full anonymity will be assured.
- Data collection will be completed in one session, taking no more than about one hour of each employee's time. This will tend to minimize the disruption and distraction from work activities.

The initial mailing was intended only for companies which had a large population of managerial or other exempt employees; i.e., employees not protected by the security blanket of a strong union seniority clause, or by "permanent" civil service status. I felt such a shield would ward off the true extent of anxiety and make retained employees quite likely indif-

ferent toward the layoff of fellow workers with less seniority or "provisional" status. In his study on the impact of announcing the closing of Navy yards, Zalkind et.al. (1973) alluded to this very problem. In their summary remarks, they stated that one reason for the existence of only few statistically significant situational differences among the Brooklyn, Portsmouth, and Norfolk yards "may be that the civil service setting minimizes those situational influences that would appear under other job change conditions." *)

Based on news accounts of mass layoffs and personal referrals, the letter of introduction was readied for mailing to more than a dozen organizations in the fields of publishing, finance, insurance, and advertising. Industrial firms were also considered.

This plan was never implemented. During a casual conversation on sample selection, an associate who holds a middle management position at a venerable Wall Street firm pointed out that a written request for cooperation in a project of the type proposed would almost invariably end up on the desk of a public relation or "customer service" officer trained to handle "nuisance" correspondence. Recalling my earlier dif-

*) In the meantime, these premises have been widely dispelled. Although union membership continues to offer formidable protection against layoffs, recent court decisions in the civil rights area have partly undermined the implied invulnerability of job security clauses. As shown by recent mass layoffs of City workers in New York City, even civil service status no longer acts as ironclad guarantee against retrenchment. Similarly, the strong reaction by retained policemen and nonuniformed employees alike disproves the apathy generally attributed to City workers.

difficulties in trying to obtain cooperation for a similar project, I agreed that only a face-to-face meeting with a top executive, arranged by a personal recommendation, could assure the personal commitment necessary for data access. The associate I discussed the problem with agreed to serve as a go-between for me and arrange a conference with a corporate officer in his firm who, he felt sure, would be sympathetic to my study and have the authority to sanction cooperation.

At the subsequent meeting he arranged, the discussion progressed so well so fast that I soon felt certain the firm would participate. The executive listened to a brief presentation of essentially the same points contained in the letter of introduction. After a brief but probing exchange of details, he asked for a copy of the questionnaire, so he could review it and get "the o.k. on it from personnel." Finally, he promised to get back to me in a matter of days. In a parting comment, the rather young executive expressed confidence that the firm would cooperate. He also voiced delight in spearheading the effort.

Case Analyses of Unsuccessful Attempts to Obtain Data

Within a week of the meeting, I received a phone call from the executive. He expressed continued interest in the project but asked to see me again to iron some minor objections mentioned by personnel before he could go ahead with the submission of the questions.

To my chagrin, the "minor" objections turned out to be "monumental," and my consent to the corrections asked for would have crippled the very nature of the project. The executive told me in no uncertain terms that to make the questionnaire acceptable to the firm, it would need to be shortened from the then twenty pages to not more than three or four, and all references to "layoffs," both explicit ones and implied ones, would have to be deleted. He pointed out that the reason for the first demand reflected the fact the firm "could not afford to have employees spend an hour or more filling out questionnaires on company time." The reason for the second demand laid partly in the firm's reluctance to "bring back bad memories through direct references to the sensitive issue of layoffs. Partly, it reflected the fear that "layoffs" or any of its widely used euphemisms were too volatile and would adversely sensitize employees to the possibility of further personnel cutbacks. Management felt cooperation would be viewed by employees as a corporate tactic of trying to anticipate their reactions to future layoffs, should they become necessary again.

For virtually the same reasons given by the investment banking firm, two additional companies reneged on their promise of further talk and withdrew from the project after initially expressing interest in it. Indeed, by that time, it became apparent that the first version of the questionnaire had

to be revised. It was evidently both too long and it included too many direct references to the issue of layoffs. Changes had to be made, but they could not jeopardize the rigor and usefulness of the instrument as a research tool.

Based on a careful analysis of the objections raised by corporate officials who had reviewed the questionnaire, the following revisions were undertaken:

(1) A number of tangential scales were taken out. Shorter but equally reliable and valid scales were substituted for longer versions, where feasible. In addition, several items unrelated to the specific hypotheses drawn up were removed. These items were originally included because I had hoped to take advantage of the data access to explore empirically retained employees' reactions to how the firm "handled or managed" the terminations, per se. All told, the cuts shortened the questionnaire to eight pages.

(2) Many "sensitive" questions or statements were either reworded or restructured by adding buffer items. This partly concealed the objectionable references. In addition, the shortened form of the questionnaire asked respondents in the opening statement to react to the "adverse business conditions," rather than specifically to layoffs, as they "affected your company and your job." The focus was thus broadened without undermining its relevance for research purposes. I hoped these corrections would reduce anxiety-arousing memories, and inhibit dysfunctional self-selection and response biases

evoked by an early and repeated mention of "layoff."

Under the pretense of asking for their assistance in proofreading drafts of the two questionnaire versions, a few colleagues and part-time evening students with considerable industrial experience offered me informal but independent opinions on the differential effect of length and content on respondents.

Half-way through casual, post-test interviews held with each of the half dozen subjects separately to review their comments, I inquired how in their opinion the questionnaire would "go over" in a real life setting. The answers supported my own contentions. The subjects who had received the unaltered, long form felt unanimously uneasy "about the whole thing." They admitted somewhat haltingly that it was too long, and too abrasive, and that it could easily stir ill-feelings in respondents; points similar to what companies had earlier objected. The subjects with the long version were much more positive in their attitude. They felt I should have little difficulty "selling" the form to firms.

When I asked them when or whether they were sensitized to the real intent of the questionnaire, the general answer was "not to the very last few questions when it became apparent. Some made comments to the effect that "by the time it dawned on me what you were after, it didn't matter any longer because the earlier questions were very interesting and made me think about myself." The earlier questions they refer-

red to were personality and attitude scales. By the way, I heard later on similar comments from some project participants who attached brief notes to their filled-out forms.

These comments lent support to my own impression that the short version of the survey instrument would much more likely than the long one produce accurate and candid answers to most questions, and that in particular, it would allow for unbiased reactions to the attitudinal and personality scales which were placed in the questionnaire ahead of the specific items dealing with the subject of layoff itself. Also, since the outside respondents sought were to have similar characteristics to the volunteers who participated in the experiment, I predicted greater acceptability for the new form.

Encouraged that attainment of data access would now be easier, I intensified my search for participants. I relied heavily on acquaintances with connections to introduce me to executives with authority to sanction cooperation. This methods resulted in many leads over the next three months, but only six proved successful, ultimately.

Four of my experiences during this period, three of which ended in failure, were particularly strange. I will therefore describe them in some detail. One plant manager in charge of the night shift in a nationally known aircraft company agreed to see me after he was approached and shown the questionnaire by one of

his supervisors, an acquaintance of mine. During the meeting, he raised no objections to the nature or format of the survey instrument and quickly promised to cooperate. After an hour or so, he even invited me to a brief tour of the plant. Anxious to develop the relationship and win from him an irrevocable promise to cooperate, I accepted the invitation with thanks and set out on what became a very informative but also very tiring four and a half hour tour around the premises.

Having grown somewhat cautious of these personal visits after several disappointing experiences, I saw no point in bringing along any questionnaires. However, at the end of the tour, I was convinced that I finally had my first sample and regretted the mistake of not preparing the survey material in advance. So I promised the manager I would have questionnaires and business reply envelopes ready for distribution within two days. The day after the tour, the questionnaires were printed; envelopes were self-addressed, and the whole package was readied for delivery.

The next day, however, my excitement was cut short. I arrived at the office and found a note requesting me to call the manager. What I heard from the other end of the phone for the next two minutes had a familiar ring to it: He was sorry to inform me that he could not go along, afterall, but he hoped I enjoyed the tour, and that if there was anything he could do for me in the future, I shouldn't hesitate.... A few days later, I cornered the supervisor and asked him what happened? He told me the plant manager had "gotten cold feet" the

morning after my visit and had called "personnel" for an "opinion." They flatly refused his request and "put the lid" on his involvement.

Another executive —this time, it was the director of personnel and industrial relations of a mid-western railroad system-- voiced strong interest in the study because the System had gone through a personnel contraction a short time earlier and was now suffering from morale problems. The initial phone conversation suggested a probable commitment. Having attended courses in human relations, he seemed to understand the significance of the project with little effort. We even proceeded to discuss procedural matters.

Still, I grew somewhat pensive as the conversation progressed because every so often he would criticize subtly the invalidity of attitudinal-oriented research and attack more vigorously behavioral-oriented consultants in general for their ineptitude in coping with the "situation at the System." Concerned about rushing once more into a rejection, I asked whether he would like to preview and study the questionnaire at his leisure. He swiftly agreed and proposed I give him a call at 10 A:M a week from then for his definitive answer. At the agreed upon time, I placed the call and was told by the secretary the executive would be out all day from his office and tied up in meetings the next day as well. "Here we go again," I told myself,... "another write-off."

Convinced by then he had changed his mind, but interested to know why, I persisted in calling, and finally reached him one day. Immediately upon identifying myself, he plunged into a vitriolic denunciation of management consultants and the field of organizational behavior. He carried on irrationally for well over half an hour, then abruptly apologized for the excesses, and hung up. To be sure, I could have terminated the conversation anytime, but his bitterness and displaced hostility began to fascinate me because it pointed out the barrier which still exists between the worlds of academia and business. A few days later when I read in the daily press about the strike threat that had hung over the System for the preceding month, his irritation began to make sense. But needless to say, the knowledge I acquired on stress attribution and manifestation didn't bring me any closer to the sample I yearned for and sorely needed.

A third and final example of my fruitless experiences concerns the director of personnel research of a large Metropolitan-based insurance company to whom I was introduced by the dean of a business school located in New York City proper. Because I came well recommended the director was very solicitous to my request and overly officious in our conversation. Having satisfied himself about the aim, substance, and design of the research study, he proposed a bargain. It involved the following: I would get complete access to all findings, only the company would have to reprint the questionnaire on its stationery and submit the forms as part of a com-

pany project. He explained his offer by saying company policy prohibits outsiders from contacting employees directly for fear of inconveniencing them, but because of his special interest in my study, he would be willing to help me out. With "regret," I told the director, I could not relinquish all control over the submission and analysis processes. I left the office hurriedly and very frustrated and angry.

I described in greater detail these three experiences and the first encounter with the investment banking firm because they illustrate the variety of obstacles I faced, and others may equally have to overcome in selling organizations the idea of cooperating with an empirical study that is original and of topical interest. In view of the strong advances made in industrial and organizational psychology on the theoretical level, the regressive and suspicion-filled attitudes shown especially by personnel managers were appalling and very disheartening.

Case Analyses of Successful Attempts to Obtain Data

For over two months, I had failed to "sign up" any firm. Then, rather suddenly and unexpectedly, my perseverance began to pay off. My first coup evolved as follows: As I walked toward the main entrance to the headquarter of this well known research company in

a mid-western town, I was prepared for another rejection, but simultaneously also determined and anxious to succeed. The fact that I had by now fine-tuned my "sales pitch" added to my confidence.

Only hours before, a family friend had told me about an executive in the organization whom he remembered vaguely from a charity drive both participated in. However, the friend knew the executive by name only. They had spoken little to each other. There was, therefore, a slim chance at best that the executive would recall the charity drive, let alone recognize the friend's name. Still, I decided to give it a try.

By now, I had reached the entrance to the building. Because of security precautions, I could advance no further than the front desk in the lobby. There, a receptionist asked whom I wished to talk with. As I mentioned the executive by name, she abruptly lifted her head in a gesture of incredulity, and repeated very slowly and with an ascending crescendo in her voice: "Sir, you wish to see Mr. Anderson?" *) Unruffled, I nodded confirmation. The hidden message in her look escaped me until some ninety minutes later when I learned that the person asked for was a senior corporate vice-president whom few outsiders see without prior appointment.

Despite her obvious apprehension, she rang up, and to my surprise, the executive himself picked up

*) not his real name

the telephone. I found out later his secretary had left early for lunch that morning. As I feared, the executive knew neither my friend nor did he remember very clearly the charity drive. But instead of cutting the conversation short at that point by telling me to write him a letter, or switching me to public relations, he heard me out for a minute, giving me enough time to introduce myself and state the purpose of my visit. Informing him I was down in the lobby and would appreciate talking to him personally, he invited me to his office for what he almost annoyingly stated would be no more than five minutes. Ushered into an elegant but functionally furnished office, I soon found myself facing a very distinguished looking and obviously elder gentleman whose presence and poise immediately made me think of the framed portraits one often encounters in the hallways leading toward executive suites. At that instant, the change in the receptionist voice from a few minutes ago somehow began to make sense. I tried unsuccessfully to locate some positive indication of whom I was talking to. But the office seemed void of any ready identifying objects.

I was snapped out of my reflective mood when rather brusquely he asked me once again to state my business, reminding me, as he did so, that lunch was only minutes away. Coughing slightly to control my discomfort, I began my well-practiced presentation. As I talked briskly to cover as much ground as possible before the noon deadline, he sat facing me stiffly and motionless. I soon realized that ten minutes had

already gone by, past noon and still he had not interrupted me once. He just let me go on and on. By this time, I had pretty much completed my prepared sales pitch. So I continued by outlining the proposal. During all this time, his face remained expression-free. The eeriness of the situation grew by the seconds. I simply could not tell what his reactions were but it was obvious he had studied me thoroughly. This was apparent from his eye movements.... I must have spoken well over twenty minutes before he finally stirred and responded in a very business-like and detached manner. Without betraying his own sentiments, he asked several questions about the relevance of the study to his firm and about sample composition. After another ten minutes or so had gone by, he suddenly relaxed, and leaning back in his easy chair, began to describe the major research interests of the organization. Before long, and seemingly having put lunch firmly out of his mind, he admitted to a strong interest in my research since he knew of no similar study conducted at his institute or elsewhere.

He then agreed to sponsor the project at the organization and talk to the divisional staff on my behalf. To a question on sample distribution, he answered that because of security precautions throughout the premises, he was unable to allow me free access to employees for a personally supervised submission of questionnaires. He also could not furnish me with a listing of employees from which I could select a random sample. We, therefore, decided that under the circumstances, the optimally feasible way to obtain a

sample was to announce and promote the project in the employee newsletter, and to encourage volunteers to pick up forms at a central location.

I left his office grateful for his personal commitment and interest but only cautiously optimistic about the final outcome. I had heard promises before. Others have told me they will be in touch. Finally, when I heard from the secretary whom I had spoken to, I wondered whether he would have the time and inclination to follow through. Elated and simultaneously apprehensive, I left the premises. My suspicion proved unfounded, for two weeks afterwards, he personally reached me by phone and goodnaturedly blasted into the phone with the midwestern accent: "Where are those _____ questionnaires? I thought they would be here yesterday! Get them over here on the double if you are still interested!" A batch of 75 questionnaires were readied and sent with dispatch.

After about three weeks, only 25 filled-out forms had come back. Concerned about this low response rate, I placed a call to Mr. Anderson's office and was informed that he had been promoted to president of a subsidiary and now worked out of another building in another section of town. The person added that Mr. Anderson would be hard to reach, but I could try a number he gave me. I tried and soon found myself talking to an aide who disavowed any knowledge of the project and the whole deal. He advised me that Mr. Anderson would be all days long at a meeting where he could not be disturbed.

Very disappointed by what had just happened, I passively hung up the receiver. But hardly two minutes passed when a call came through to my office from the Midwest. I instantly recognized Mr. Anderson's secretary whom I had spoken to several weeks back. She apologized for not getting in touch earlier and explained the shift in personnel at the institute. She also told me that Mr. Anderson had left explicit instructions for his replacement to continue cooperation in the project; that he was aware of the low "taker rate" and that he, therefore, had requested that a follow-up notice be put in the newsletter. Delighted by this new turn in events, I proceeded to get in touch with the successor back at headquarters.

From the start of our conversation, I sensed a certain coolness toward the project on his part and it seemed to me that his cooperation was more a function of respect for the wishes of his predecessor than of his own conviction. Indeed, as the conversation progressed, he began voicing some reservations about the nature of the study and the propriety of participation. His only equivocal support caused me to ask for a personal meeting to exchange thoughts and explain matters. To my relief, he consented to a meeting.

During the rather formal meeting which lasted more than two hours, I was able to convince him and the research director he had brought along that the oblique mention of layoff and some questions on the subject ought not to be stress provoking to professional respondents. Apparently satisfied, he assured

he would try to "sell" the project again and drum up some more support for it among employees. While much of the meeting was consumed by a barrage of questions on my background and qualifications, we also discussed the questionnaire distribution technique used. We agreed that the low initial response rate could be attributed at least in part to the geographically dispersed setting of individual buildings on the one hand, and the central location questionnaire forms had to be picked up on the other. To alleviate this inconvenience, the coordinator agreed to place forms in various offices where they would be more accessible. The result of his efforts ultimately more than doubled the response rate from this particular organization.

In contrast to the research organization, where final permission and submission of questionnaires was preceded by lengthy negotiations and personal out-of-town appearances, it took only one 15 minute visit to secure cooperation from a sales executive. Beyond the difficulty of getting a college text salesman to introduce me to what he called his unpredictable boss, I encountered only one problem during the meeting. He subtly suggested that he would prefer to see the filled-out forms returned through his office to me, rather than directly to me via business return self-addressed and stamped envelopes. Had I agreed to his request, it would not only have compromised the confidentiality promised respondents, but due to the nature of the study, it would certainly have meant very few, if any responses. I, therefore, firmly but politely rejected his request. On the other hand,

my request to use an employee list for drawing a random sample of prospective respondents drew a similar swift rejection on grounds that such information was confidential. I therefore settled to have him distribute the questionnaires while I retained the right to have the forms sent back to me directly. We agreed to the compromise. His participation in the study was thus assured.

Conclusion

The need to balance the overall sample between companies that had experienced low layoffs on the one hand with those that had suffered high levels of cut back presented special problems. While it was difficult enough to secure the cooperation of low layoff firms, the ones with high retrenchment were generally adamant in their refusal "to get involved." Indeed, cooperation in three of the four high layoff organizations, and in one of the two low layoff firms, eventually came to depend on the active collaboration of "friendly and esteemed" managers who agreed to distribute the questionnaires informally to their peers and/or subordinates on a unit-wide basis.

Thus, despite the many setbacks and difficulties encountered in the sample selection process, I succeeded in adhering to the acceptance criteria stipulated in advance, and in agreeing to no procedural or substantive compromise which would have jeopardized the research rigor sought. Indeed, a properly balanced

sample according to layoff severity that consisted only of professional employees was ultimately achieved. A total of 171 respondents made up the final overall sample. Of these, 86 respondents represented four high layoff firms; 85 came from two low layoff organizations.

"Severity" was operationally defined by the proportion of employees separated since 1972. As a rule of thumb, a high layoff condition was presumed present when employment in a particular organizational subdivision from which respondents were drawn were reduced by 10 per cent or more over the timespan in question. A low layoff situation was presumed present if fewer employees were involved in the reduction-in-force. All participating firms had experienced some bona fide layoffs; i.e., separations precipitated by lack of work or by structural reorganizations. Information on layoff severity was obtained either from interviews with senior managers of the respective sample units, a top level officer of the organization, or through news accounts of such developments in the daily or weekly press.

A last point before this chapter moves to a description and assessment of the survey instrument. Every firm insisted as condition of participation that its name not appear in print, and that any detailed description not be so specific as to readily reveal its identity. I conceded to this stipulation. Every sample group has, therefore, been given a codename which will identify it henceforth.

Research Instrument

Scale Development and Assessment

The questionnaire developed for the field study consists of both standardized scales and a-priori items formulated especially for the project. The standardized scales were adopted either intact or only slightly modified to fit present research purposes better. A copy of the questionnaire can be found in Appendix B.

The relevant research literature was scanned carefully for appropriate measures which have also demonstrated acceptable levels of validity and reliability. Established claims of scale reliability were independently verified with Cronbach's Coefficient Alpha. These calculations in general confirmed the internal consistency of such scales and equally established it for the a-priori measures included. Cronbach's formula of scale homogeneity was used because, according to Veldman (1967), it is a more general version of the Kuder-Richardson Formula 20. It is therefore particularly suitable for Likert-type scoring scales and not restricted to dichotomized items.

In this section then, the individual scales will be discussed; i.e., their selection will be justified;

their content will be analyzed; scale reliability and validity data will be assessed, where available; and where appropriate, scale independence will be examined. With only few exceptions, information on scoring is not provided. However, the two comments that follow served as common guideline: (a) To simplify and standardize scoring, the direction of some ranking scales were reversed; (b) Seven or six point rating scales were reduced to five point scales. This was done on the basis of evidence (Kissitz and Green, 1975) that such a reduction does not significantly affect the reliability and distribution of answers.

The model shown below served as basis for the scale development. It reiterates and operationalizes

Model of Research Design

<u>Independent Variable</u>	<u>Moderator Variables</u>	<u>Dependent Variable</u>
Severity of Layoff of Co-Workers	Self-Esteem	<u>Job-Related Attitudes</u>
	Work-Ethic	Company Satisfaction
	Role Ambiguity	<u>Personal Attitudes</u>
	Participation	Felt Anxiety
	Task Uncertainty	Behaviorally Manifested Anxiety
	Organizational Rank	<u>Motivation</u>
	Financial Independence	Self-Described
	Geographic Mobility	job interest
	Occupational Mobility	

the research design presented at the beginning of Chapter One. It shows that personal and job-related reactions to the layoff of fellow workers under conditions of severe manpower cutbacks are moderated by individual differences in self-esteem, work-ethic, experience with role ambiguity and non-hierarchical work organizations, organizational rank, financial support, willingness to relocate, and occupational mobility. Under conditions of "mild" layoffs, the moderator variables listed are assumed to produce no statistically significant differences in criterion measures.

As shown in Appendix B, the questionnaire consists of the following six parts:

- Part I : Personal Background
- Part II : Work Ethic Orientation
- Part III: Experience with Role Ambiguity
and Non-Hierarchical Work Organizations
- Part IV: Self-Esteem
- Part V: Company Satisfaction
- Part VI: Motivation, Felt and Behaviorally Manifested Anxiety, Geographic and Occupational Mobility.

Part I: Personal Background and Classification Data

Part I establishes identifiable characteristics of respondents. Beyond basic demographic data, the thir-

teen questions in this section also include items relevant to the hypotheses on family support (items 5-6) and organizational rank (item 11). Care was exercised to avoid any question which could be construed by respondents to compromise their anonymity.

Part II: Work Ethic Orientation (19 items)

The Work Ethic Scale (WES) is an index of a person's attitudes toward work in general, rather than his feelings about a specific job. It measures the "construct of "secularized Protestant Ethic" with which work values seem to be closely linked.

The WES was constructed by Mirels and Garrett (1971). They firmly established the internal consistency of the scale but offered no specific data on this point in their article. Reliability was therefore independently examined. The test yielded a Cronbach Coefficient Alpha of .77, (R_{CR}), and a coefficient of .87 when corrected for length by Spearman-Brown's Prophecy Formula, (R_{SB}). Both coefficients indicate strong levels of scale homogeneity or internal consistency.

Claim by Mirels and Garrett (1971) for construct validity is based on a number of relevant correlations with other established measures:

Significant positive correlations were found with the Mosher Sex Guilt ($r=.29$; $p.<.01$) and Morality Conscience Guilt Scales ($r=.30$; $p.<.01$), as well as with the California F Scale ($r=.51$; $p.<.001$).

A significant negative correlation was obtained in relation to Rotter's Internal External Scale ($r = -.30$; $p < .01$).

Nonsignificant correlations were found in relation to the Marlowe-Crown Social Desirability Scale ($r = -.10$) and the Sensation Seeking Scale ($r = -.06$).

In two later investigations by MacDonald (1971, 1972), further correlational exploration of the WES was undertaken. In his investigation, high WE scores were significantly related to negative attitudes toward the poor and opposition to a guaranteed minimum annual income. In addition, MacDonald reported that values such as comfortable life, equality, exciting life, and pleasure were negatively related, while ambition, self-control, salvation, and social responsibility were positively related to WE or Protestant ethic endorsement.

To further assess the construct validity of the WES, Merrens and Garrett (1975) conducted an experiment in which the WES was related to independently measured non-test behavior. Based on the premise that the high WE individual values hard and steady work regardless of its popularly attributed "meaningfulness" and prestige while the low WE individual will not, the researchers hypothesized that on a task designed to be low in motivation (putting Xs in 250 circles on each sheet for 100 sheets), the LWE individual would tire more easily and fill in fewer sheets, while the HWE individual would work on longer and complete more circles.

The hypothesis was supported. The mean time in minutes spent by the high ($N=20$) and low ($N=20$) WE groups was 23.00 and 16.85 respectively ($t=5.49$; $p < .01$). The

mean number of sheets completed by the HWE and LWE groups was 4.10 and 2.55 respectively ($t=4.98$; $p<.001$).

A number of work ethic scales are available. The following analysis points out the factors taken into consideration in the selection of the Mirels and Garrett's scale for the Questionnaire:

Work ethic as a measure of individual differences and useful in organizational research to clarify individual reactions to differences in work environments and job characteristics is of rather recent origin. As a consequence, very few studies are available which systematically address themselves to the concept. Indeed, as a theoretical construct, the idea of work valuation is not yet well defined and conceptualized in the literature. The reason for this is that opinions differ as to what the concept exactly means and stands for. The difficulty arises from the controversy of what value system is implied when one talks about work ethic.

The historical interpretation of WE reflects the descriptions suggested by Blood (1969) and Mirels and Garrett (1971). According to this viewpoint, the HWE individual has a strong sense of industry and also shares the other ideals commonly associated with the Protestant or Puritan Ethic. Since he views work as a moral obligation and as a desirable end in its own right, he can be counted on to perform well and to express a favorable attitude toward any particular job; i.e., both jobs regarded as satisfying higher order needs on the basis of current norms of expectations, and those regarded as

menial or dissatisfying to others (Blood, 1969). This is so because he attributes redeeming features to all work and thus perceives it as significant, worth doing well, and "intrinsically" rewarding.

Nowadays, however, one hears the argument that the historically authentic view may no longer be relevant because it omits to consider the changes in value system brought about by the revolution of rising expectations of the post-World War II generation in the United States. In rebuttal to the criticism that America is witnessing a decline in the work ethic and a rise in the welfare ethic, advocates of the "new" work ethic claim that the American worker continues to believe in work and in hard work, but only if he perceives such work as "self-fulfilling" and "psychologically enriching."

Measured by such standards, the argument continues, "the idea of the dignity of work died not in dark Satanic mills but in the well-lighted, ingeniously laid out, scientifically organized assembly-line plants, and in the spacious headquarters and offices of the great American corporations" (Lerner, 1957, p. 270). Because the traditional concept of work ethic implies a demand to "live only to work" rather than a call to "work in order to live," it is viewed as an anachronism inconsistent with contemporary business attitudes.

The assertion that the traditional WE notion has become obsolete and has undergone a radical transformation may be regarded as of only "academic" interest to a researcher. On the other hand, however, one may equally ar-

gue that since conceptualization serves as guideline in operationally defining an idea, different perspectives will give rise to different measures purporting to reflect the same construct.

Thus, while Blood's WE scale measures the concept on the basis of its historical interpretation, as does Mirels and Garrett's scale, the much longer scale by Wollack, Goodale, Wijting, and Smith (1972) includes properties which reflect at least partially the more modern interpretation of work ethic. More specifically, the "Survey of Workers' Values (SWV) contains not only the "traditional" factors of "pride in work," "activity preference" and "attitude toward earnings," but such work facets as "social status," "job involvement," and "upward striving" are also included. Therefore, its claim to be "an index of a person's attitudes toward work in general rather than his feelings about a particular job," is debatable. It clearly ties in "generalized work values" with "particular work conditions."

For these reasons, the Wollack scale was eliminated from consideration. In the choice between Blood's and Mirels' scales, both of which express the intent of the current research, the latter was selected because it is more comprehensive and better documented.

Part III: Role Ambiguity, Participation, and Task
Uncertainty

Role Ambiguity (10 items)

This variable is defined as the lack of clarity and predictability one perceives in one's work related behavior. More specifically, as conceptualized by House and Rizzo (1972 a), role ambiguity reflects deficiencies in (a) the existence or clarity of behavioral requirements serving to define role behavior, and (b) the predictability of the outcome of one's behavior.

Rizzo, House, and Lirtzman (1970) developed the scale of 10 items used here as "measure of role ambiguity." Since "experience with situations of role ambiguity" is of interest in this study, rather than the degree of perceived role ambiguity in a particular situation, the questions were slightly reworded. Otherwise, the scale was adopted intact.

This often applied measure (e.g. Organ & Green, 1974 a and b; Hamner & Tosi, 1974) has been variously shown to have both internal consistency and construct validity. Rizzo, House and Lirtzman (1970) reported an estimate of internal consistency of about .80 for two different samples. Reliability was also determined by Szilagyi (1973), as reported in Szilagyi and Sims, Jr (1974). Using a six-item adaptation of the scale, they independently derived an RSB of .76. Using the present sample, reliability calculations established a level of internal consistency identical with that reported by Rizzo, et.al.. Correction for length resulted in $R_{SB} = .89$.

On the basis of results obtained from an adaptation of Campbell and Fiske's (1959) convergent validation method, House and Rizzo (1972b) claim construct validity for their scale. While convergent validity was referred to by Campbell and Fiske as "agreement between two efforts to measure the same trait through different methods," House and Rizzo's adaptation designated this validity as result of "similar events measured from different referents using one method" --questionnaires. Pairing the predictor scale of Goal Consensus and Clarity with the criterion scale of Role Ambiguity, House and Rizzo reasoned that if construct valid, the pair should show considerable inter-scale correlations; i.e., theoretically, one scale should measure a significant amount of variance that it shares with its respective paired scale. The correlation between the scales amounted to .50 which was taken by the authors as an indication of construct validity.

Experience with Participation and Task Uncertainty

This eight item variable was conceptualized as the extent of perceived participation (5 items) and task uncertainty (3 items).

The introduction to Part III of the questionnaire instructed respondents to think back over the years they

have been employed, the companies they have worked for, and the type of tasks they have been engaged in. They were then asked to indicate the extent of their experience with situations of varying task structure, and participative management.

The participation scale was developed by Mohr (1971) and was shown by him to have an $R_{SB} = .79$. A nearly identical coefficient ($R_{SB} = .78$) was obtained in an independent test of internal consistency. The R_{SB} was based on an $R_{CR} = .65$. The scale was adopted intact.

Dessler's Job Structure Scale, described in detail in Hunt and Larson (1974), was the source for the three questions used to operationally define and measure task uncertainty. According to Dessler, task uncertainty reflects the degree "to which the task stimuli and execution rules and procedures are simple, repetitive, and unambiguous." Because of the problems relating to questionnaire length --mentioned in the first part of the chapter-- only the last three questions of the Scale were included in this instrument. These three questions were selected out of a total of ten because they addressed themselves to the most clearly related aspects of task uncertainty.

A test of scale reliability on the three questions confirmed the accuracy of the judgmental decision. The test resulted in an $R_{CR} = .65$ and an $R_{SB} = .79$. The R_{CR} is identical to the internal consistency data reported by House and Dessler (1974) for the complete scale from the first of two test samples. Their second test sample

produced a reliability coefficient of .69.

The similarity in findings implies that the three questions selected on a discretionary basis for their apparent relevance to the basic dimensions of task uncertainty offer substantially the same distribution of answers as the full Scale and can therefore be viewed as a viable substitute for the latter.

Since the construct "experience with non-hierarchical organizations" was operationally defined as participation and task uncertainty, the question of combining Mohr's (1971) participation scale with the three items from Dessler's (1974) Task Structure Scale arose. A test of scale independency established an intercorrelation of $r = .30$ ($p < .001$) between the two factors. While statistically significant, the results were viewed as an indication that the two factors should not be collapsed. Each factor was therefore analyzed separately.

Part IV: Self-Esteem (31 items)

Of the various measures of self-esteem available, the self-assurance subscale of Ghiselli's Self-Descriptive Inventory (1971) was chosen as the most appropriate one. A popular measure, it has been used by Korman in most of his recent studies, as well as by others (e.g. Gavin, 1973; Leonard and Weitz, 1971). According to Ghiselli's conceptualization of self-esteem and the one adopted here,

Self-assurance refers to the extent to which the individual perceives himself to be effective in dealing with the problems that confront him. There are some persons who see themselves as being sound in judgment and able to cope with almost any situation, whereas there are others who think of themselves as being slow to grasp things, making many mistakes, and being generally inept. The former are high in self-assurance, and the latter are low.

The Scale operationalizes self-esteem through 31 pairs of personally descriptive adjectives. In the first 15 pairs, the respondents have to pick the adjective they feel most describes them; in the remaining pairs, the one they feel least fits them.

The structured-disguised format of the scale with its essentially forced-choice scoring method makes this questionnaire less fakeable than others. It also minimizes the contaminating influence of the central tendency bias, often encountered with Likert-type rating scales. Because of its rather unusual nature, the scoring keys to the scale are reproduced below. The list gives the correct responses for each pair. The first number is the item number and the last number is the weight or score assigned to the item. "T" means the top adjective of the pair is the correct response scored in the direction of high self-esteem; "B" means the bottom adjective is correct.

Korman (1968) and Ghiselli (1971) report data suggesting that this empirically based measure posses-

Scoring Key to Self-Esteem Scale

1 - B 2	12 - T 1	22 - T 1
2 - B 1	13 - B 1	23 - T 2
3 - B 1	14 - B 1	24 - T 2
4 - T 2	15 - B 2	25 - T 2
5 - T 1	16 - B 2	26 - B 1
6 - B 2	17 - T 1	27 - T 1
7 - T 2	18 - B 1	28 - T 1
8 - T 1	19 - B 2	29 - B 2
9 - B 1	20 - B 1	30 - T 2
10 - T 2	21 - T 2	31 - T 1
11 - T 2		

ses moderate construct validity. An independent test confirms this claim. Comparing the answers by 50 students to both Ghiselli's scale and the self-esteem measure developed by deCharms and Rosenblum (1960) produced a highly significant relationship of $r = .79$ ($p < .001$).

The reliability of the scale has "all along" been assumed to hover about .50. After correction for length, the present sample offered support to this contention ($R_{SB} = .50$). Still, the relatively low $R_{CR} = .33$ begs the question: Why did the independently derived reliability statistic turn out so low, particularly since the scale is "interesting" and intuitively appealing, and widely used. A two-part answer can be suggested.

Part of the explanation undoubtedly lies in the forced-choice dichotomized nature of the scoring system which severely restricts the range of alternatives available to respondents. This fact exerts an inhibiting impact on reliability.

Part of the explanation is derived from consistency theory in the following way: An assertion can be made that most people nowadays are other-directed and hence, they tend to accept and internalize views of themselves which are congruent with prevailing social values; i.e., social norms dictate what they interpret as good and bad, right and wrong. For these individuals, the "cultural revolution" of the late 60's scrambled previously accepted codes of conduct and thought.

In the course of content analyzing the Self-Esteem Scale, a group of graduate students and instructors of psychology and management reached the nearly unanimous conclusion that the meanings and implications of many adjectives used in the Scale have drastically changed over the past 15 years and that most items purporting to indicate high self-esteem seem to measure popularly accepted middle class values of the early 60's. More importantly, they felt that because of the scoring scale applied, the measure offers no provisions to incorporate shifts in popular value systems. Therefore, the Scale makes it difficult for other-directed respondents, conditioned to reflect contemporary behavioral predispositions, to answer in a consistent manner. In essence, the Scale deprives many respondents of a dependable outside referent criterion against which to assess

their impressions and reactions.

According to this reasoning, the culture-boundness of the Scale, as reflected in the adjectives selected by Ghiselli and the score value he assigned to different items, probably contributed further to the only moderate internal consistency in response pattern. The other factor, as mentioned above, is the forced-choice scoring system.

Part V: Company Satisfaction (20 items)

Adopted intact except for some minor changes in wording, this measure was recently developed by Schwyhart and Smith (1972). According to them, the instrument has been found to load on factors such as company identification, pride in company, personal pride in the organization and fairness of the company.

No claim of either test-retest or internal consistency reliabilities are made by the authors; nor for that matter, do they make any for construct validity. However, a calculation of Cronbach's Coefficient Alpha resulted in a very high score of internal consistency ($R_{CR} = .84$); when corrected for length, the coefficient improved to a still more impressive ($R_{SB} = .96$).

The selection of a "company" satisfaction scale in view of the more commonly used "job" satisfaction scale was motivated partly by considerations of novelty.

But more importantly, the deliberate choice reflects the belief that the company satisfaction measure was a more appropriate scale under the circumstances because it concentrates on attitudes primarily responsive to environmental manipulation; i.e., attitudes which are directly affected by layoffs. Feelings of resentment, indignation, and agony toward the company for laying off fellow workers more likely affects one's loyalty and pride in the firm than one's satisfaction with pay or other work-related factors.

Thus, a retained employee who blames the company for the cutback and devalues his association with the firm as a result would be more readily able to express his sentiments on the company satisfaction scale than he could on a job satisfaction measure. Schwyhart and Smith's scale was therefore picked as the most relevant indicator of attitudes consistent with those hypothesized.

Moderate support for the contention that "job" and "company" satisfaction scales are different in purpose and nature is reported by Schwyhart and Smith (1972). They found that the CS scale correlated only .44 and .45 respectively with Lodahl and Kejner's (1965) Job Involvement instrument. They accepted these findings as evidence that the two scales load on different factors and are therefore materially independent of each other.

Part VI: Miscellaneous Scales and A-Priori Items

Part VI of the questionnaire consists of scales and statements pertinent to motivation, personal anxiety, geographic and occupational mobility.

Motivation (5 items)

This variable describes the degree to which the employee rates himself as interested and committed to his work. In the 5-item questionnaire, the first four questions were adopted from Lodahl and Kejner's (1965) indifference subscale. Using a five-point scale of agreement where 1 = very little agreement, and 5 = a great deal of agreement, a low score indicates high motivation, and vice versa for low. For coding purposes, the scores were reversed. The fifth question, a global measure, was adopted from Wood (1974).

With an $R_{CR} = .84$ and an $R_{GB} = .91$, the scale demonstrated a high level of internal consistency.

Personal Anxiety (7 items)

A total of seven a-priori questions were developed to measure felt and behaviorally manifested anxiety. The former were suggested by, but not directly adopted from, the Manifest Anxiety Scale (Taylor, 1953); the latter were abstracted from articles describing the dysfunctional

impact of the current recession on personal life styles.

The questions of the scale elicit "yes" or "no" answers. The "yes" replies are restricted, however, by virtue of wording of statements to feelings of strong agreement with factors responded to. The items request respondents to indicate whether

- they are greatly upset by the economic repercussions of the general business climate on the firm they work in;
- they are taking the recessionary news harder than others in their work unit;
- the layoff of fellow workers is particularly troubling to them;
- they think about the cutbacks more than most of their fellow workers;
- they are irritated by the uncertainty of their current employment status;
- the current economic conditions have made them reduce extensively the use of credit cards or other forms of consumer credit obligations;
- the current economic conditions have made them cut back drastically on their vacation plans.

The first five statements, measuring felt anxiety, produced a coefficient of internal consistency of $R_{CR} = .62$ and an $R_{SG} = .75$. These findings indicate fairly strong reliability.

A test of scale independency between the felt anxiety questions and the two items measuring behaviorally manifested anxiety produced the matrix of intercor-

relations shown next. The generally low coefficients clearly indicate the advisability of separate treatment of the three sets of questions.

Matrix of Intercorrelations

	<u>Felt Anxiety</u>	<u>Vacation</u>
Felt Anxiety (5)	1.00	
Vacation (1)	.25 ***	1.00
Credit Card (1)	.16	.49 ***

*** (p. < .001)

Geographic and Occupational Mobility

The "willingness to relocate" variable was ascertained with two questions. They asked respondents whether they would give any consideration to work in another parts of the United States or abroad should they be personally affected by layoffs. The two items were analyzed separately.

"Willingness to change occupations" was ascertained with ten questions focusing on willingness to accept pay cuts in present or new fields of work; willingness to change jobs if retraining is involved; or outright refusal to accept any offer and rely instead on

other sources of income to get by until "better" offers come along. Because the questions focused on substantively different phenomena, each of them was analyzed separately.

Summary

A careful review of the research and trade literature was the basis for selecting scales or questions regarded as appropriate for the research intent in this project. Wherever possible, standard measures were picked and adopted in full. In some cases, a-priori items had to be developed to better fit the hypotheses. As mentioned in the first section of this chapter, these statements were subjected to a pre-testing procedure to determine their propriety in view of topic sensitivity.

Aside from content analyzing the questionnaire, this section also described efforts to establish or confirm scale reliabilities, and it briefly mentioned calculations aimed at ascertaining scale independency. The results obtained from the internal consistency tests are summarized in Table 1 on the next page. It shows that except for the self-esteem measure, reliabilities range from moderately high to very high, particularly after correction for length is considered. Where available, comparison between presently existing figures and new established ones shows remarkable consistency.

Still, some caution must be exercised in interpreting results of attitude measures using Likert-type

Table 1
Scale Reliabilities

Scale and Number of Items in Scale	Current Study		Previously Established
	Cronbach's Alpha Homogeneity Coef- ficient R_{SH}	Alpha Corrected for Length by Spearman Brown Prophecy Formula R_{SB}	Reliability Coefficient
Work Ethic (19)	.77	.87	N.A.
Role Ambiguity (10)	.88	.84	.81
Participation (5)	.85	.78	.79 Rel
Task Structure	.65	.79	N.A.
Self-Esteem (31)	.73	.50	N.A.
Company Satisfaction (21)	.72	.76	N.A.
Motivation (5)	.74	.91	N.A.
Felt Anxiety (5)	.62	.75	N.A.

equal appearing interval scoring scales. Such scales, as alluded to earlier in the section, may be inherently less valid than other scoring systems because they encourage the use of the central tendency bias. Also, aside from easily avoiding expressing (committing oneself to) extreme but true feelings, Likert scales facilitate consistency, thereby distorting reliability estimates. The opposite is true for forced-choice dichotomized scoring scales.

Because of these inherent weaknesses in attitudinal measurement, the consistency in reliability estimates over separate scale submissions takes on particular importance. It provides some reason for believing that at least the scales used in this project have a measure of underlying stability able to withstand the impact of situational and individual differences.

The next section will analyze the company characteristics and the demographics of the participants in the study. It will also discuss the rationale for categorizing the overall sample into four independent sets of subsamples.

Sample Description and Data Classification

An analysis of identifiable characteristics of the six participating organizations shows there are considerable similarities and significant differences between and among samples and that, therefore, the overall sample population breaks down into four separate sets of subsamples on the basis of both layoff condition and product/service orientation.

The sample-by-sample description which follows explains this conclusion. The description is arranged according to layoff condition.

Low Layoff Organizations

The first sample, henceforth referred to as subsample (10), consisted of engineers and scientists employed by a multinational research institute. Questionnaire data were collected at the headquarter's lab division in a midwestern state. Of 75 questionnaires distributed, 54 were returned. This represents a response rate of 72 per cent.

The organization has experienced minor and sporadic layoffs over the past two years. They were precipitated by a gradual loss of contract referrals during the late 1960s and early '70s. The decline in business can be in turn attributed to shifts in priorities of government sponsored research, the general economic recession, and particularly, management's reluctance to diversify its research policy orientation.

This reluctance by management to respond quickly to the change in environmental conditions, its unwillingness to encourage independent exploratory research, and its strong benevolent authoritarian attitude toward employees aggravated an already widespread and serious, but latent resentment by scientists. The result was a "flurry" of resignations around the turn of the decade. Random interviews with professional employees revealed that their intrinsic needs of individual growth were frustrated to the point where they began to seriously question the long-term viability of the organization. As a result, a number of young and achievement oriented employees left for what they considered more promising and challenging assignments elsewhere.

The ensuing drop in morale adversely affected the quality of work put out. For example, there was growing disregard for job specifications and increasing apathy toward maintaining schedules. In addition, signs of skill obsolescence and an erosion in motivation became evident through the marked drop in patent applications and grants. These difficulties had a compound-

ing impact on organizational effectiveness, and before long, the volume of work contracted to the organization declined seriously.

To cope with the situation, top corporate leadership was changed, and an improved quality control system instituted. Moreover, a number of well-entrenched but functionally excessive positions thought immune to retrenchment by their occupants were eliminated. While it was difficult to obtain an accurate figure on exactly how many people were laid off, the estimate received from various sources put the number at between 2 to 5 per cent of the workforce employed at the headquarter division. According to the criteria of layoff severity previously established, this clearly puts the organization into the low layoff category.

A second low layoff sample was obtained from a government supported regional public service organization; henceforth referred to as subsample (70).

Questionnaire data were collected from among management personnel at its New York City headquarter. Of 50 questionnaires submitted, 31 were returned. This represents a response rate of 62 per cent.

The quasi-governmental nature of the organization had protected the entity for many years from competitive pressures ordinarily found in analogous private enterprises. Of late, however, conscious of the demand re-

nerally directed at public administrations for public accountability, and mindful of its status as an operationally autonomous profit center, the organization has become obliged to justify budgetary allocations and account for deficits. In step with the increased public scrutiny of its operation, management has been compelled to improve organizational effectiveness in general, and its service appeal to the public in particular.

Among the steps taken to accomplish these objectives was the elimination of a number of "sacred cow" positions. While management sought to minimize personnel cutbacks by either transferring or retiring employees affected, some involuntary separations were unavoidable. As a high ranking personnel officer put it: "We try our best not to let people go, but the possibility of some layoffs taking place when positions are reshuffled and combined remains."

It was difficult to get the personnel officer to commit himself to a specific number of employees let go. He kept talking in terms of "very few," "a small number," and an "insignificant number." His comments obviously point to a low layoff organization.

Table 2 summarizes and compares individual characteristics of respondents from the two low layoff organizations. In subsample (10), average respondents were nearly 42 years old, male, and scientists who had worked for the firm around 14 years. 48.1 per cent of the res-

Table 2

Sample Characteristics of Low Layoff Organizations

<u>Variables</u>	<u>Range</u>	Engineering Subsample (10) N=54		Management Subsample (70) N=31		t (b)
		M	SD	M	SD	
Age (Years)	—	41.76	7.78	41.37	9.02	0.16
Education (a)	—	4.24	1.16	2.58	0.88	6.87 *** (c)
Years Employed	—	13.52	11.08	14.50	9.82	0.52
Work Ethic	19-95	56.46	10.34	62.77	7.78	2.93 **
Role Ambiguity	10-50	28.85	6.04	28.32	6.64	0.38
Participation	5-25	16.26	4.16	15.42	3.51	0.95
Task Uncertainty	3-15	12.04	2.22	10.13	2.53	3.63 ***
Self Esteem	0-46	25.20	5.36	25.97	5.56	0.62
<u>Variables</u>	<u>Proportion</u>		<u>Proportion</u>		χ^2	
<u>Per Cent Males</u>	85.2		100.0		3.48 ° df=1	
<u>Organizational Level</u>						
% Workers	48.1		0.0		24.96 *** df=4	
% Low Management	22.2		35.5			
% Middle, Upper, Top Mgt	29.7		65.5			
<u>Undergraduate Degree</u>						
% None	28.3		87.1		30.82 *** df=3	
% BS	60.4		6.5			
% BA	11.3		3.2			
% BBA	0.0		3.2			
<u>Graduate Degree</u>						
% None	55.5		96.8		17.02 ** df=4	
% MS	25.9		0.0			
% MA	5.6		3.2			
% MBA	1.9		0.0			
% PHD	11.1		0.0			

(a): Scoring Key: (1) Less than high school; (2) high school diploma; (3) some college, no degree; (4) bachelor's degree; (5) master's degree; (6) others, but primarily doctorate degree

(b): two tailed test; $df = (N_e - 1) + (N_o - 1) = 83$

(c): Level of significance:

pondents identified their organizational rank as worker level. Of the many respondents who had baccalaureate degrees (71.1 per cent), 60.4 per cent specialized in areas leading to a B.S. in engineering. Nearly 45 per cent had advanced academic training, with almost 57 per cent of them (26 per cent of all respondents) indicating areas of concentration leading to M.S. degrees. 11.1 per cent of all respondents (or 24 per cent of those with graduate degrees) held Ph.D's.

It is in the area of educational achievement that respondents from subsample (70) differed most formidably from the former. The average respondent in subsample (70) held a high school diploma, only. This fact accounts for the statistically significant differences in all three education indeces analyzed. Other noteworthy differences relate to the functional orientation of their positions, to organizational rank ($\chi^2 = 24.96$; $p < .001$), and to the score patterns on the task uncertainty scale ($t = 3.63$; $p < .001$) as well as on the work ethic scale ($t = 2.93$; $p < .01$). In the follosing respects, the between sample differences were only marginal; age ($t = 0.16$); years employed ($t = 0.52$); role ambiguity experience ($t = 0.38$); participation ($t = 0.95$); and self-esteem ($t = 0.62$).

An examination of these statistics shows that despite some strong similarities between samples, the many differences are so fundamental that collapsing both groups of low layoff respondents into one aggregate set is neither conceptually nor statistically justified. The two subsamples will be therefore analyzed separately.

High Layoff Organizations

Four high layoff samples were obtained. As before, each will be described briefly before comparisons are drawn between individual characteristics of respective respondents.

A noted publishing firm accepted 90 questionnaires for distribution to its sales personnel. Only 32 forms were returned for a response rate of 38 per cent. The probable reason for the relatively low response rate has much to do with the circumstances surrounding the recent severe business set back and the ensuing layoffs.

During an interview with the sales executive, the following factors were mentioned as contributing causes of the layoffs: fierce competition from smaller, more flexible, and more risk-oriented firms in the publishing field; a noticeable reduction in general university enrollments and a subsequent drop in demand for new textbooks; an apparent reluctance by instructors to change texts as often, a move that helps students cope with skyrocketing educational expenses; cutbacks in library funds which severely curtail book acquisitions, and similar developments affecting pre-college and trade publications.

The overall decrease in demand for their books compelled the firm to retrench harshly and refocus its marketing strategy. As part of the cutback, several sections of the sales department were completely elimina-

ted; others were trimmed and structurally streamlined.

While assurances were issued by the firm that no further layoffs were anticipated for the foreseeable future, the scope and management of the mass separation left deep scars of manifest anxiety in retained employees. More specifically, the cutbacks were instituted without prior notice one Friday afternoon by an executive who moved from office to office handing out pink slips to pre-selected individuals. All the while, co-workers sat in shocked silence watching the parody wondering whether the fate will strike them next. This is a paraphrase of how a sales representative described the proceedings. He also added that the aftermath of the layoffs was strong resentment and cynicism toward management, personal apprehension and disorientation, and a sharp increase in absenteeism.

The other three high layoff organizations are jointly discussed because they resemble each other strongly in many important respects. Two of these organizations are large, diversified, aircraft oriented, and contract dominated firms with national and international scope of operations. The third is a small and highly specialized electronics firm which at times serves the other two as subcontractor, but also independently designs and builds sophisticated defense related systems for the U.S. Government and that of other countries.

In the first of the three aircraft firms, henceforth referred to as subsample (30), 30 questionnaires were distributed and 16 were returned. In the second firm, henceforth referred to as subsample (50), the same number of questionnaires were handed out, but only 10 were returned. The third firm, code-named subsample (60), also accepted 30 forms. Of these, 25 were returned. This represents a response rate of 83 per cent.

All questionnaires were distributed to employees working in self-contained task units engaged in defense-related engineering-oriented work. As a rule, such units have been recently very vulnerable to cyclical unemployment and frequent mass layoffs. Often organized along lines of "project management," these units are customarily beefed up for maximum effectiveness in aircraft design work during period of contract bidding. If they obtain the contract, a period of stable employment follows; if they lose it, employees assigned to the project are either transferred and reintegrated into the mainstream of the firm or, as often happened the past several years, they are laid off for lack of work elsewhere in the firm.

In the units questioned, layoffs over the past three years ranged from a relatively moderate 25 per cent in one firm to over 70 per cent in another. This disparity in retrenchment figures is one explanation for the statistically significant differences noted in table three for the age distribution and tenure of respondents. As the smallest of the three, subsample

Sample Characteristics of High Layoff Engineering Organizations

<u>Variables</u>	<u>Range</u>	<u>Subsample (30)</u> N=16		<u>Subsample (50)</u> N=10		<u>Subsample (60)</u> N=25		<u>F-Test (b)</u>
		M	SD	M	SD	M	SD	
Age (Years)	—	48.13	7.85	37.30	9.99	44.67	6.94	5.86 *** (c)
Education (a)	—	4.06	0.68	4.10	0.99	4.40	0.91	0.90
Years Employed	—	17.31	9.04	9.00	3.18	12.22	5.21	4.55 **
Work Ethic	19-95	61.75	8.23	55.70	5.45	52.60	12.38	3.96 *
Role Ambiguity	10-50	28.06	5.45	31.50	7.73	29.44	6.25	0.93
Participation	5-25	16.50	3.65	14.00	2.49	14.60	4.02	1.85
Task Uncertainty	5-15	11.44	2.36	9.20	2.39	9.84	2.59	3.05 *
Self Esteem	0-46	25.19	4.22	27.30	4.42	25.52	5.40	0.63

<u>Variables</u>	<u>Proportion</u>	<u>Proportion</u>	<u>Proportion</u>	<u>χ^2</u>
<u>Per Cent Males</u>	100.0	100.0	100.0	0.00
<u>Organizational Level</u>				
% Workers	68.8	60.0	60.0	7.83
% Lower Management	6.3	30.0	32.0	df=6
% Middle, Upper, Top Mgt	24.9	10.0	8.0	
<u>Undergraduate Degree</u>				
% None	18.8	10.0	12.0	2.80
% BS	68.8	90.0	84.0	df=4
% BA	12.4	0.0	4.0	
% BBA	0.0	0.0	0.0	
<u>Graduate Degree</u>				
% None	75.0	60.0	40.0	11.02 °
% MS	25.0	30.2	48.0	df= 6
% MBA	0.0	10.0	0.0	
% MA	0.0	0.0	0.0	
% PHD	0.0	0.0	12.0	

(a), (c): see table 2
 (b): $df = [(N_{30} + N_{50} + N_{60}) - 3] = 48$

(50) was most vulnerable to layoffs. Every contract loss meant mass separations because the idled workers could not be placed anywhere else. Moreover, to maintain competitive advantage in the electronics industry over the past ten years, the firm found it necessary to replace workers laid off with younger, technologically more sophisticated employees when business conditions improved, rather than to recall the old ones. As a consequence, the workforce as a whole is younger and less tenured; those retained after the latest crisis reflect these demographic characteristics.

Subsample (60) experienced similar but less severe employment fluctuations and turnover. The result, in terms of sample characteristics, is a group of respondents who on average are noticeably older and considerably more tenured than respondents from subsample (50). The still longer tenure for respondents in subsample (50) reflects traditional management efforts to avoid layoffs at almost any price, a policy made possible by the highly diversified nature of the firm. Only over the past two or three years have conditions deteriorated so greatly in the particular division questioned, and in others as well, that mass layoffs became unavoidable.

The between sample differences in age and tenure are significant. But as shown in table 3, the three subsamples share a basic product orientation as well as a number of fundamental individual characteristics; e.g., educational focus and achievement, self-esteem, and ex-

perience with role ambiguity. On this basis, the three subsamples were combined and, for purposes of analysis, regarded as one group. However, because the means and standard deviations are not identical and hence direct comparison not feasible, raw sample data were first transformed into Z scores. These scores were then used for calculating correlation coefficients reported on in the next chapter.

Table 4 summarizes the characteristics of subsample (20), the high layoff but marketing-oriented firm. It also compares the relevant data to those of the combined high layoff but engineering-oriented firms, henceforth referred to as subsample (90). On the basis of the data presented, no justification exists for collapsing the two subsamples into a more general high layoff group. They will, therefore, be analyzed separately.

According to table 4, the differences in age ($t = 5.52$; $p. < .001$), and tenure ($t = 4.57$; $p. < .001$) are particularly strong. Furthermore, while both sample populations show on average some graduate school training ($t = 0.23$), the focus of their education differs significantly both at the undergraduate level ($\chi^2 = 63.19$; $p. < .001$) and the graduate school level ($\chi^2 = 26.64$; $p. < .001$). Subsample (20) is distinctly more liberal arts and business oriented; subsample (90) understandably more science and engineering oriented.

Table 4

Comparison of Scale Characteristics Between the High Layoff
Marketing Firm and the Combined Engineering Organizations

Variables	Range	Marketing Subsample (20) N=35		Engineering Subsample (90) N=51		t (b)
		M	SD	M	SD	
Age (Years)	—	33.81	9.51	44.30	8.61	5.32 *** (c)
Education (a)	—	4.34	0.48	4.24	0.86	0.23
Years Employed	—	5.75	6.98	13.19	7.68	4.57 ***
Work Ethic	19-95	56.20	9.85	56.08	10.75	0.05
Role Ambiguity	10-50	26.63	6.78	29.41	6.25	1.96 °
Participation	5-25	15.51	3.87	15.08	3.73	0.52
Task Uncertainty	3-15	11.37	2.33	10.22	2.59	2.12 *
Self Esteem	0-46	27.29	4.82	25.77	4.84	1.43
Variables		Proportion		Proportion		χ^2
Per Cent Males		80.0		100.0		8.59 ** df=1
Organizational Level						
% Workers		68.6		62.7		1.18
% Low Management		14.3		23.5		df=4
% Middle, Upper, Top Mgt		17.1		13.8		
Undergraduate Degree						
% None		0.0		13.7		63.19 ***
% BS		6.8		80.4		df=3
% BA		80.0		5.9		
% BBA		11.4		0.0		
Graduate Degree						
% None		65.7		54.9		26.64 ***
% MS		2.9		37.3		df=4
% MA		22.9		0.0		
% MBA		8.6		2.0		
% PHD		0.0		5.9		

(a) see table 2

(b) see table 2; df = 84

(c) see table 2

based on the analysis of descriptive characteristics of the separate subsamples, the following conclusions were arrived at concerning sample classification: The total sample of 171 respondents falls into four separate subsamples according to both product orientation and layoff severity. This breakdown corresponds to the individuals cells shown in table 5 below and furnishes the basis for testing the hypotheses drawn up for this project.

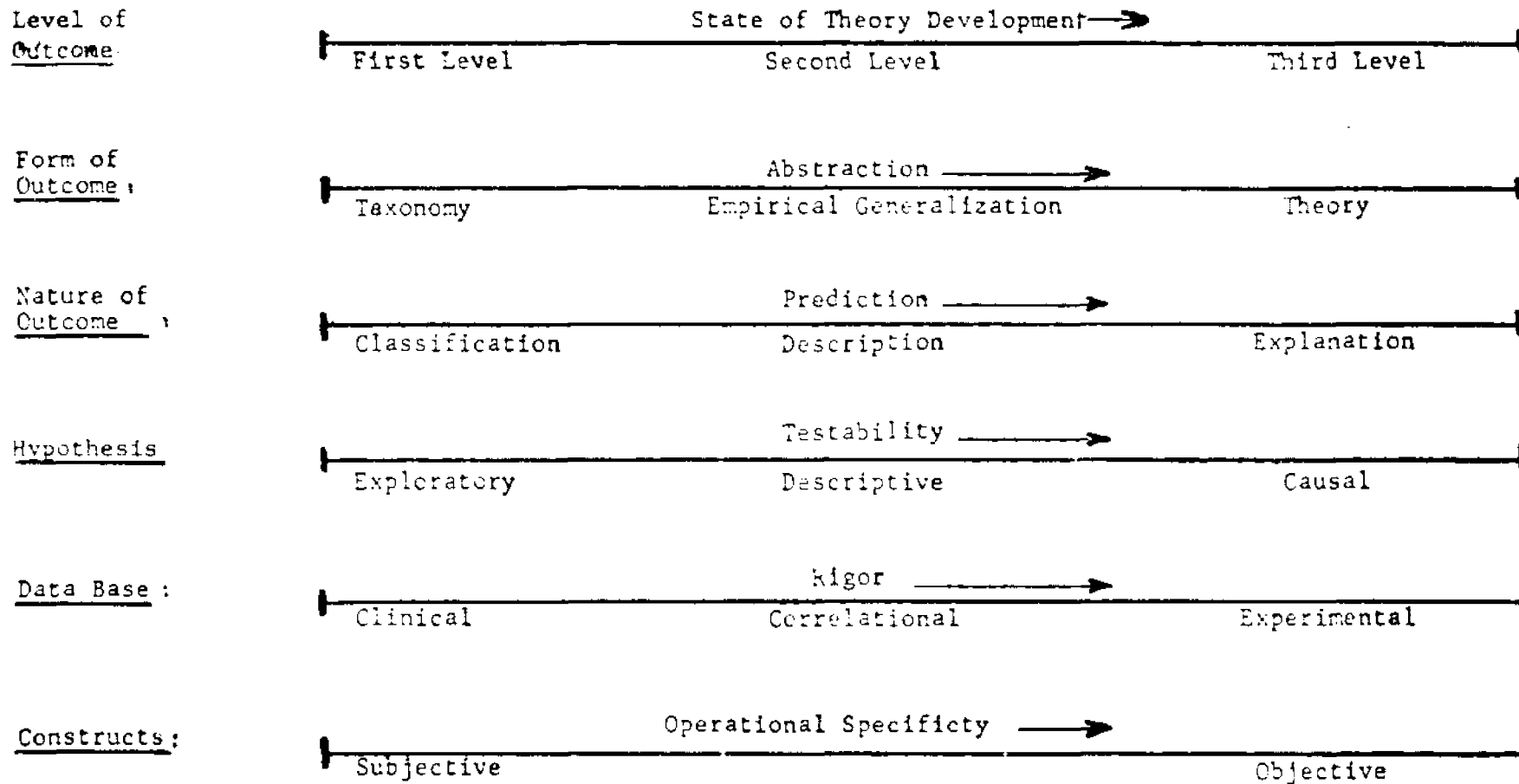
Table 5
Sample Classification According to
Layoff Severity and Product/Service Orientation

	<u>Low Layoff</u>	<u>High Layoff</u>
<u>engineering</u>	Subsample (10) 1 firm N = 54	Subsample (90) 3 firms N = 51
<u>Marketing</u>	Subsample (70) 1 firm N = 31	Subsample (20) 1 firm N = 35

Chapter Summary and Concluding Comment

This chapter discussed the considerations taken into account in arriving at the decision to view the overall sample as four separate subsamples. An examination of demographic characteristics of respondents, the business orientation of the respective firms and the extent of layoff severity experienced by them were the major factors weighted. The chapter also described the development of the research instrument and its assessment. Among the factors mentioned was the moderate to high scale reliability of most measures, and the strong similarity between newly calculated and previously established indices of internal consistency. Finally, the first section of the chapter narrated the efforts involved in selecting project participants from among firms which had experienced mild or high layoffs. In talking about the activities related to gaining data access, the chronology specifically highlighted the difficulties this researcher encountered in convincing prospective organizations to cooperate as survey samples.

The methodology developed for the project was based on the premise that the field study approach represents the most appropriate research procedure for examining the topic chosen; this, despite the fact that

BASIC DIMENSIONS OF SCIENTIFIC INQUIRY

Source: Adapted from Melvin H. Marx, Theories in Contemporary Psychology, (N.Y., The MacMillan Co., 1963)

it falls short of satisfying the requirements of the third level of rigor, as illustrated in table 6 on the preceding page. In particular, the field study undertaken is aimed at furnishing correlations which are indices of association, and not of causality. This means that the results reported on in the next chapter indicate only the magnitude of relationship between two variables at a time, rather than conclusively explaining them.

However, while a laboratory approach would have improved the experimental control over variables tested, and thus the reliability of findings, it would have sacrificed considerably the transferability of results to even limited real-life situations and, thereby, the external validity of findings. The artificiality of a laboratory setting, in particular, would have imposed constraints inconsistent with the aim of the study of deriving a set of practical decision guidelines. Furthermore, since it is virtually impossible to induce in a contrived setting the level and texture of stress comparable to a layoff, the laboratory approach would also have been incompatible with the nature of topic examined.

In their 1953 book, "Research Methods in the Behavioral Sciences" (p.78), Katz and Festinger discuss the relative advantages of a field study as compared to "polling surveys" on the one hand and laboratory experiments on the other. They state that,

indeed, its major advantage over the laboratory is that the manipulation of variables is much more powerful. The real world can and does produce role reversals, drastic changes in group norms, institutional revolutions, and group conflict in a fashion impossible in the laboratory.

The next chapter presents in detail the data analysis by individual hypothesis and it describes and evaluates the findings arrived at.

CHAPTER THREE

Data Analysis and Results

Introduction

This chapter presents the data analysis and a discussion of individual findings. In the analysis, the following overall guidelines were adhered to:

The statistical procedure used in testing the first hypothesis was a two-factor analysis of variance with "type of firm" and "severity of layoffs" the principal factors. Zero-order correlations were derived for the remaining hypotheses. To check for interaction effects between and among moderator variables, partial correlations were also examined. The technique of partial correlation enhances the rigor of data analysis by screening out interacting factors from the relationship between two variables, thereby clarifying their association and improving inferences about them. If not controlled for, these intervening factors may cause spuriously high relationships or mask otherwise strong correlations. Matrices of inter-correlations were carefully scanned for variables thought likely to be responsible for the distortions.

Table 7

Summary of Means and Standard Deviations for Dependent Variables by Subsample

Variables (Scales)	Range	Subsample (10) N=54		Subsample (70) N=31		Subsample (20) N=35		Subsample (90) N=51	
		M	SD	M	SD	M	SD	M	SD
Motivation	5-25	19.32	4.53	20.84	3.59	19.63	4.10	17.08	4.74
Company Satisfaction	27-96	70.11	14.31	69.06	9.93	69.23	14.05	54.14	12.61
Felt Anxiety	5-10	6.41	1.46	5.61	1.02	5.86	0.88	7.10	1.12
Consumer Credit	1-2	1.44	0.50	1.68	0.47	1.37	0.49	1.25	0.44
Vacation Plans	1-2	1.30	0.46	1.36	0.49	1.34	0.48	1.39	0.49
<u>Company Characteristics</u>									
Severity of Layoffs		High layoffs		Low layoffs		High layoffs		High layoffs	
Type of Company		Engineering		Marketing		Marketing		Engineering	

As it turned out, both first order partials and second order partials uncovered only few intervening factors. Where they help in the explanation of findings, they will be mentioned and interpreted.

Table 7 on the next page presents mean scores and standard deviations for the dependent variables included in the study. Summarizing the relevant statistics from all four subsamples, the table will serve as general reference table in the forthcoming analysis.

Hypothesis 1

Everything else assumed equal, the more severe the layoff of fellow workers, the lower will be the motivation and "satisfaction" of retained employees.

Throughout the analysis, "satisfaction" is defined as a multidimensional criterion variables consisting of the following factors:

- | | |
|--|--------------------------|
| (a) Company Satisfaction | |
| (b) Anxiety | —— Felt Anxiety |
| (c) Reduction in use of
consumer credit | Behaviorally |
| (d) Curtailment in va-
cation plans | —— Manifested
Anxiety |

A two-factor analysis of variance with "type of firm" as row factor and "severity of layoffs" as column factor suggests considerable statistical support for two of the five dependent variables tested, partial support for a third one, and no support for the remaining two criteria. Lack of support came from "company satisfaction" where both layoff severity and type of firm interacted concomitantly and accounted for differences noted, and with "curtailment in vacation plans" where none of the treatments produced statistically significant differences.

Overall, the results proved disappointing even where statistically significant differences were found because the overwhelming impact expected from at least the severe layoffs simply did not materialize. This finding and specific results will now be more fully described and interpreted in the pages ahead.

Hypothesis 1A

Everything else assumed equal, the more severe the layoff, the lower the motivation of retained employees.

The results of the test of this hypothesis with both raw data and Z-scores are presented in table 8. Z scores were obtained by converting the raw data across all cells into a normal distribution by setting the "means" equal to "0" and the "standard deviation" equal to "1". By reducing the separate subsamples to

Table 8

Two-Way Analysis of Variance

"Type of Firm" and "Severity of Layoff" With

Motivation

As Dependent Variable

A. RAW DATA

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	157.03	1	8.28	< .005
Severity of Layoff (column)	144.61	1	7.62	< .006
T x S (Interaction)	10.64	1	0.56	N.S.
Within Cells	18.96	167		
Total	331.24	170		

B. Z-SCORES

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	6.39	1	6.71	< .05
Severity of Layoff (column)	8.19	1	8.61	< .004
T x S (interaction)	0.17	1	0.18	N.S.
Within Cells	0.95	167		
Total	15.70	170		

the same standard of measurement, comparisons within and between the four cells became possible.

With raw data, statistically significant differences in motivational predisposition were obtained both between type of firms and layoff conditions. The lack of significance in row/column interaction indicates that each treatment acts upon the dependent variable separately and independently. With Z-scores, severity of layoffs took on considerably more significance than type of firm as determinant of motivation. The lack of concomitant effect held for the normalized data.

Corroborating evidence for these results comes from table 7. It shows that marketing-oriented respondents were generally more motivated than engineers. In addition, it indicates that the layoff of fellow workers had a less adverse impact on the marketing-oriented respondents than on the others. Finally, in support of hypothesis 1A, high layoff firms produced lower motivation scores than low layoff firms. While table 7 notes differences in motivational predisposition among samples, the differences are much weaker than expected from the "observations" of experienced managers. Indeed, the data suggest that despite the severe stress condition of high layoffs, retained employees perceived themselves as motivated in their work.

The clustering of scores toward the upper boundary of the motivation scale may be explained as a function of the motivational nature of professional employ-

ees. According to current thinking in the field of Organizational Behavior, professionals equate motivation with professional commitment which is resistant to environmentally controlled changes. Thus, job contextual changes which are beyond the control of professional but do not unduly interfere with their task performance will not substantially disturb their intrinsic work motivation. This logic finds support in tables 7 and 8. They show that while they expressed dissatisfaction and even blamed their firms for the layoff of fellow workers, professional employees continued to express interest and involvement in their task. Hall and Mansfield (1971) offer substantiating evidence for this conclusion. The results of hypothesis 1B, presented next, do likewise.

Hypothesis 1B

Everything else assumed equal, the more severe the layoff of fellow employees, the lower will be the company satisfaction of retained workers.

According to table 9, the two factors examined do not separately determine company satisfaction, but instead they interact and concomitantly influence the outcome. The variance analysis does suggest, however, that significant differences exist between row and column treatments. Table 7 clarifies these statistical differences. It indicates that of the two types of firms examined, engineering oriented companies which had intermittently experienced severe layoffs

Table 9

Two-Way Analysis of Variance

"Type of Firm" and "Severity of Layoff" With

Company Satisfaction

As Dependent Variable

A. RAW DATA

<u>Source of Variation</u>	<u>MS</u>	<u>DF</u>	<u>F</u>	<u>p.</u>
Type of Firm (row)	1873.46	1	10.97	< .001
Severity of Layoff (column)	4061.19	1	23.78	< .001
T x S (Interaction)	2631.78	1	15.41	< .001
Within Cells	170.80	167		
Total	8737.23	170		

B. Z-SCORES

<u>Source of Variation</u>	<u>MS</u>	<u>DF</u>	<u>F</u>	<u>p.</u>
Type of Firm (row)	9.56	1	10.53	< .001
Severity of Layoff (column)	20.95	1	23.07	< .001
T x S (interaction)	11.65	1	12.83	< .001
Within Cells	0.90	167		
Total	43.06	170		

over the past several years primarily accounted for the F values obtained. Respondents from these firms showed by far the lowest company satisfaction of all employees questioned.

On the other hand, the lack of differences in company satisfaction between the low layoff and high layoff marketing-oriented firms was incongruent with predictions. Two considerations may help explain this inconsistency in results. For one, moderator variables may be at work and partly control findings. This proposition formed the basis for the remaining hypotheses and will be extensively examined later on. The other possibility relates to the fact that the severe layoffs in subsample (20) were the first large-scale payroll reductions the company had experienced and that, therefore, the retained employees who filled out and returned their questionnaires felt certain the retrenchment was a one-time event likely not to recur in the near future. Their favorable impression was reinforced by assurances from management to this effect.

Hypothesis 1C

Everything else assumed equal, the more severe the layoff of fellow employees, the stronger will be the felt-anxiety of retained employees.

Table 10 indicates that statistically significant differences in adverse personal reactions to the layoff

Table 10

Two-Way Analysis of Variance

"Type of Firm" and "Severity of Layoff" With
Felt Anxiety
As Dependent Variable

A. RAW DATA

<u>Source of Variation</u>	<u>MS</u>	<u>DF</u>	<u>F</u>	<u>p.</u>
Type of Firm (row)	40.50	1	29.05	< .001
Severity of Layoff (column)	11.48	1	8.22	< .005
T x S (Interaction)	2.01	1	1.44	N.S.
Within Cells	1.40	167		
Total	55.45	170		

B. Z-SCORES

<u>Source of Variation</u>	<u>MS</u>	<u>DF</u>	<u>F</u>	<u>p.</u>
Type of Firm (row)	19.01	1	27.58	< .001
Severity of Layoff (column)	3.82	1	5.55	< .05
T x S (interaction)	0.38	1	0.55	N.S.
Within Cells	0.69	167		
Total	23.90	170		

of fellow workers do indeed exist. However, while both treatment factors independently contribute to felt-anxiety, "type of firm" seems to account for slightly more of the variance than "severity of layoffs."

Support for hypothesis 1C comes also from table 7. According to the data presented there, the high layoff oriented engineering sample scored noticeably higher on the anxiety scale than both the low layoff engineering sample and the two marketing samples. Still, when compared to an upper score limit of 10, the average responses, even for the severe conditions, signify only moderate personal anxiety or fear of unemployment. In view of the severe layoffs experienced by subsample (90), one would have at least expected respondents there to show greater adverse emotional reactions. The fact that they don't may be partly due to the scoring scale applied. With "yes" answers restricted to s t r o n g agreement with each statement, any deviation from the minimum score of 5 may be said to indicate high anxiety. Another possible explanation arises from the assumption that the examination of moderator variables in later hypotheses will uncover masking factors which prevented the true relationship from manifesting itself in the more general variance analysis performed on the first hypothesis. However, as will be explained below, the expectation that inclusion of moderators will modify the results in the direction hypothesized remained largely unfulfilled. Finally, it may be entirely possible that the high level of anxiety popularly

attributed to the aftermath of a layoff is more a function of well meaning speculation than assertions supported with empirical data. The practical implications of only moderate layoff-induced frustration for policy decisions are portentous and will be commented upon more fully later on.

Hypothesis 1D

Everything else assumed equal, the more severe the layoff, the more extensive will be the reduction in use of consumer credit by retained workers.

In this one item measure, a "yes" answer was scored as supportive of the hypothesis; a "no" answer, as non-supportive. Table 11 indicates weak significance and independence for both "type of firm" and "level of layoff severity," with the latter treatment somewhat more powerful than the former.

However, according to the mean values shown in table 7, high layoff conditions caused a less extensive reduction in the use of credit than low layoff conditions --outcomes which are the very opposite to those predicted. Table 7 furthermore indicates that this behavioral response to the layoff of fellow workers is more pronounced with individuals working in marketing or management oriented firms than with those in engineering companies.

As in the preceding cases, an examination of moderator variables may clarify the relationships. How-

Table 11

Two-Way Analysis of Variance

"Type of Firm" and "Severity of Layoff" With

Use of Consumer Credit

As Dependent Variable

A. RAW DATA

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	1.07	1	4.72	< .031
Severity of Layoff (column)	2.34	1	10.31	< .002
T x S (Interaction)	0.14	1	0.60	N.S.
Within Cells	0.22	167		
Total	3.77	170		

B. Z-SCORES

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	4.30	1	4.72	< .05
Severity of Layoff (column)	9.38	1	10.31	< .002
T x S (interaction)	0.55	1	0.60	N.S.
Within Cells	0.90	167		
Total	15.13	170		

ever sufficient this suggestion may be as a tentative explanation, a more direct and elegant interpretation of the unexpected results would be preferred. Despite giving this matter a great deal of thought, a satisfactory explanation remained illusive.

Hypothesis 1E

Everything else assumed equal, the more severe the layoff, the more extensive will be the curtailment in vacation plans of retained workers.

According to table 12, respondents projected an only moderate reduction in planned vacations in response to the layoff of fellow workers. Furthermore, for those who did predict an extensive cutback in their plans for this year, layoff severity seemed of only marginal importance in the decision. This is apparent from table 12 where statistically significant differences were found for neither "type of firm" nor for the "severity of layoff" treatment, or for that matter, for their interaction. Still, as shown in table 7, engineering oriented, high layoff respondents indicated somewhat more caution in regard to their vacation plans when compared to their peers in the low layoff organizations. These results are at least in the predicted direction, though they do not offer strong support for Hypothesis 1E.

That layoffs of fellow workers have an only minor impact on vacation plans of retained employees is

Table 12

Two-Way Analysis of Variance

"Type of Firm" and "Severity of Layoff" With

Curtailement in Vacation Plans

As Dependent Variable

A. RAW DATA

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	0.01	1	0.01	N.S.
Severity of Layoff (column)	0.13	1	0.55	N.S.
T x S (Interaction)	0.12	1	0.51	N.S.
Within Cells	0.23	167		
Total	0.49	170		

B. Z-SCORES

<u>Source of Variation</u>	MS	DF	F	p.
Type of Firm (row)	0.01	1	0.01	N.S.
Severity of Layoff (column)	0.50	1	0.55	N.S.
T x S (interaction)	0.49	1	0.51	N.S.
Within Cells	0.91	167		
Total	1.89	170		

consistent with findings from a recently undertaken nation-wide research study into tourist patterns of people living in areas hard hit by the recession. According to a report published in U.S. News and World Report (April 21, 1975, p. 38 +), the major tourist centers in the United States, those in the West, Southeast, and Northeast, registered record numbers of Americans on vacations and trips during the depth of the recession. Reasons given by behavioral researchers at the University of Miami for the apparent "urge to splurge" included the following:

- pure escapism, actions to get their minds of their troubles;
- anticipated hardship, the feeling that since conditions may worsen, this may be the last chance for an expensive fling; and
- unemployment compensation, the financial security from extended coverage which reduces the need for large scale cutbacks and changes in normal living patterns.

The last reason in particular was often voiced by survey participants of the current study as well. To the hypothetical question of how they would get by in case of their own layoff, 54 per cent of the respondents answered that they would primarily rely on unemployment compensation. 28 per cent checked off savings as first choice. Other sources mentioned more infrequently included reliance on spouse for income, fill-in, part-time work, belt-tightening, and sale of assets.

Conclusions: Hypothesis 1

Hypothesis 1 was tested with a two-factor analysis of variance. The results offer moderate support to the contention that severity of layoffs (as prime predictor variable) significantly related to some of the outcomes examined. Others were also significantly affected by the type of company that was involved, and some seemed affected by tertiary factors as well.

One set of findings deserves closer scrutiny. These are the results on company satisfaction. According to the data obtained, individuals in high layoff environments exhibited less company satisfaction than those working for low layoff companies. Though these results make common sense, they contradict a series of research findings compiled by Hulin (1966), and Wild and Kempner (1972). Hulin predicted and empirically confirmed that job satisfaction is higher in communities with substantial slum areas than in those free of ghettos. He explained these findings by suggesting that the worker assesses his present job status by referring to "alternatives" available to him. Since attractive alternative positions are not readily available in slum areas, the present job offers more satisfaction.

Similarly, Wild and Kempner studied the effects of a number of community and plant characteristics on job attitudes of manual workers. They concluded that community factors foster a "frame of reference" consistent with that described by Hulin within which the worker judges the desirability of his job.

Applying the sense of this research to the present study, one can assert that the strong situational uncertainty facing the ghetto resident who has a job by virtue of the available labor surplus is analogous to the situational uncertainty experienced by the retained employee by virtue of high company and/or industry layoffs. Both in essence are subject to "arbitrary" separation. Therefore, the predictions advanced by Hulin should equally apply to hypothesis 1. However, a comparison of results clearly shows they do not match. Indeed, they contradict each other. The present study indicates that retained employees working for high lay-off firms express considerably less --though not overwhelmingly less-- company satisfaction than those employed by firms less affected by payroll cutbacks.

Putting this reasoning into more specific terms, the following can be stated: According to Hulin (1966), the immediate (slum) environment the marginal worker lives in acts as a socializing agent in determining his work aspirations. Confined to the job-scarce or labor-abundant community by a lack of saleable skills and by socio-economic status, he develops a localized and narrow "frame of reference" against which he evaluates his opportunities and "breaks." When compared to the misery afflicting his job-less ghetto neighbors, his job provides him with a measure of satisfaction and self-esteem. With some fundamental differences, similar considerations apply to the professional employee retained in the face of high layoffs. If the professional views himself as competent and a holder of transferable skills, he very likely will be governed by a

broader frame of reference than Hulin's subjects. In essence, the "mobicentric" professional compares the opportunities afforded him in a given company against those available to him in the industry as a whole. If because of high company layoffs his work and status at the given firm seem threatened, he will express dissatisfaction if and only if he perceives the industry-wide employment opportunities as favorable. However, if the latter are also limited, he will probably not risk the emotionally discomforting feelings of cognitive dissonance that comes from expressing discontent when powerless to do much about the source or object of stress. Under the circumstances, he will likely readjust his job aspirations and bring them in line with the conditions he must endure at his current place of employment. Only in this way can he reestablish a desirable level of cognitive consistency (Simon, 1958).

According to the logic outlined, professional employees will likely express lower company satisfaction under conditions of high company-low industry layoffs than under conditions of high company-high industry layoffs. Consequently, one would expect respondents from subsample (90) to express higher company satisfaction than those from the other subsamples. Instead, the findings indicate that the respondents in questions who faced not only severe company layoffs but equally dreary industry-wide job opportunities showed by far the lowest company satisfaction of all respondents questioned.

A number of reasons can be stated to explain the

discrepancy in findings between Hulin's study and the present project. Because of scope delimitations here, the explanations can be only briefly outlined, but that should suffice to stimulate more thought on the subject and further research exploration. Some of the reasons cited are theoretical in nature; others, more pragmatic and institutional:

(a) In contrast to Hulin (1966) who applied a job satisfaction scale in his studies, this research used a company satisfaction instrument. Since the two measures focus on conceptually separate and independent entities (Schwyhart and Smith, 1972), differences in results may be not unexpected.

(b) The marginal worker striving to satisfy basic economic needs is probably less fastidious about the nature of his work. With his limited aspirations and opportunities, even paced and programmed tasks will evoke a measure of gratitude and satisfaction. On the other hand, the higher-order-need-conditioned and internally motivated professional employee strives for challenge, involvement, and task identification. Not merely content to comply, he equates satisfaction with challenging, non-routine work over which he has functional control and to which he can fully devote himself. External events beyond his control are stress provoking only if and when they directly interfere with his task orientation.

Based on this assertion, the following inference follows: The uncertainty evoked by the possibility of

a layoff (a probability considerably increased under conditions of high layoffs) distracts the professional employee from his work unless countermanded by management assurances of job security; it, therefore, causes a decline in his company satisfaction. Thus, the job-contextual uncertainty frustrates the professional's need for task satisfaction. To the slum-confined, manual laborer, task satisfaction is immaterial.

(c) Hulin conducted his research some ten years back. At that time, marginal workers were far more dependent on their jobs for survival than they are today. The vastly improved welfare system nowadays doles out generous support payments and thus largely eliminates the stigma and deprivation formerly associated with unemployment. The "system" has indeed generated, or at least encouraged, conditions whereby marginal workers often turn thumbs down on, or express vociferous objections to jobs they consider demeaning and inconsistent with their newly acquired claims for instant success, demands made possible by a shift from the "revolution of rising expectations" to the recently accelerated "revolution of rising entitlements" (Bell, 1975). Consequently, slum residents surveyed today would likely respond quite differently to a questionnaire of the type used by Hulin. The results per se would probably be more consistent with the responses obtained in the present study.

(d) As a final explanation of Hulin's findings, it may be suggested that of all respondents, those living in slum areas had a low level of work-ethic,

were "layoff-prone," and therefore were not bothered by the transient nature of their work. High work-ethic oriented individuals, not similarly demoralized, would have likely expressed strong job dissatisfaction. In his study, Hulin (1966) omitted inclusion of work ethic as a moderator variable. In a follow-up study in 1967, Blood and Hulin did recognize community-induced work-ethic as an interaction influence on job satisfaction. They discovered that workers living in communities "fostering integration with middle-class values" showed higher satisfaction than those living in communities frustrating work-ethic values. More specifically, they found support for the hypothesis that the more densely populated and urbanized the community and the less skilled the jobs available, the lower will be the level of satisfaction.

Applied to the content of this study, the following inferences emerge: Workers living in communities "fostering integration with middle-class values" are more adversely affected by layoffs because their work-ethic values are frustrated. On the other hand, to workers from communities which are densely populated, urbanized, and which offer few skilled jobs, the incremental environmental constraint of layoffs does not greatly disturb the already perpetual feelings of alienation. Thus, skilled professionals can be expected to show noticeably less satisfaction than the marginal workers surveyed by Hulin.

In summary: Hulin (1966) and Wild and Kempner (1972) obtained data from a sample of mail-order house

workers some of whom lived in slum areas. The current study concentrated on professional workers, most of whom were employed in middle-class suburbia-type communities. To the former, the transient nature of their jobs had conditioned them to acquiesce to hardship quite effectively; hence, their relative "satisfaction." Respondents in this study found the threat of idleness disturbing since it was incompatible with their life style and work devotion; hence, their relative "dissatisfaction."

In the sections which follow, findings will be presented and discussed that relate the extent to which company satisfaction and the other variables identified earlier as criterion measures are affected by work ethic and other factors hypothesized to moderate the impact of layoffs under conditions of severe layoffs.

Introduction to Remaining Hypotheses

The results that are reported and interpreted next are based on the general proposition that a number of individual differences, acting as moderator variables of layoff severity, partially account for the outcomes predicted. It is furthermore assumed that these interacting personality and demographic factors manifest

themselves only under conditions of severe or high layoffs.

Unlike the arrangement used to report the results of hypothesis 1, the analysis which follows is arranged according to moderator variable. For each hypothesis, zero-order, first-order partial, and second-order partial correlations were calculated. Zero-order correlations form the backbone of the analysis. They will therefore always be referred to, unless otherwise stated. The other calculations will be mentioned only where they materially affected the interpretation of findings.

The following background factors were examined for possible interaction influence on the moderator variables: age, education, seniority, and previous experience with layoffs. In addition, the extent to which the following major moderator variables themselves influenced each other was also tested: work ethic, self-esteem, organizational level, and extent of experience with situations of role ambiguity, participation, and task structure (uncertainty).

Hypothesis 2: Work-Ethic

Under conditions of high layoffs, the higher the retained employees' work-ethic: (a) the lower will be their company satisfaction; (b) the higher will be their personally felt anguish or anxiety; (c) the more extensively will they reduce the use of consumer credit; (d) the more extensively will they curtail their vacation plans, and (e) the lower will be their motivation.

Company Satisfaction

According to the hypothesis, correlations for subsample (10) and subsample (70) should be low because these firms experienced only mild layoffs; they should be both high and negative for the severe lay-off subsamples (90) and (20). The greater perceived threat of idleness by high work-ethic individuals should generate irritation and adverse feelings toward their firms. However, as shown in table 13, only positive correlations were obtained across the board. These results withstood an extensive examination of partial correlations, thereby strongly refuting the first part of the hypothesis.

While inconsistent with theory-based prediction, these findings are of considerable institutional signi-

Table 15
Correlations between Work Ethic and Dependent Variables
by Subsample

SAMPLE CHARACTERISTICS	Orientation Low 117 N=14	Orientation High 191 N=31	Management Low 171 N=17	Marketing High 123 N=15
Functional Orientation Severity of Involvement Subsample Code Effective Sample Size				
WORK ETHIC				
Company Satisfaction	.55***	.55***	.55***	.50*
Motivation	.55***	.55	.55**	.55
Felt Anxiety	-.19	.12	.105	-.19
Credit Reduction	.25	.25	-.25*	-.15
Vacation Curtailment	.22 ^a	-.25*	-.19	-.15

Level of Significance

0 < .10; * < .05; ** < .01; *** < .001

ficance. In particular, the results support the historical notion that the high work-ethic-oriented person has staunch company loyalty which remains strong even under conditions of severe environmental stress. Regardless of threat, he apparently retains his sense of work dedication and maintains firm feelings of affiliation and solidarity to his company. He is dependable and "good to have around when things get tough, because he provides a measure of stability when it is most needed."

These results can be conceptually explained in the following manner: When spared in a mass layoff, the high work-ethic individual's strong need for job security remains intact and satisfied. To justify further retention and reduce the chances of future layoffs, he reciprocates and applies himself harder. Similarly, to assure continued (social) approval from his superiors and peers, he conveys gratitude to the firm by expressing high company satisfaction.

Motivation

The results on motivation are quite clear, but the very opposite of those predicted. The inverse relationship predicted from the hypothesis for high lay-off conditions did not materialize, nor, for that matter, the absence of correlations expected for conditions of low layoffs. The statistically significant correlation between high work-ethic and motivation ($r = .35$; $p < .01$) for subsample (10) and that for

subsample (70) ($r = .35$; $p < .01$) are contrary to predicted outcomes. Similarly inconsistent is the only slight difference in self-rated job interest between high and low work-ethic individuals in the high layoff organizations.

A comparison of the two sets of results suggests that work-ethic is a strong and positive job related personality attribute which (a) compels the individual to be highly involved in his work under conditions of contextual instability or stability, and (b) which helps him weather the potentially dysfunctional impact of "severe environmental crisis" as well as if not better than the low work-ethic oriented person.

The results of the appropriate Z-Tests determining whether the differences in correlations between high and low layoff conditions from table 13 are statistically significant are shown and briefly discussed in chapter four. Tests appropriate to all other moderator variables are presented there as well.

Felt Anxiety

No significant correlations were found in regard to this dependent variable. Both high and low work-ethic-oriented individuals registered similar personal reactions to the layoff of others, regardless of layoff severity. While contrary to results expected, the findings are in line with the expla-

nations suggested above. Since high work-ethic people view their dedication as protection against future layoffs, the reason for high anxiety is mitigated.

The slight negative correlations ($r = -.20$) in subsample (20) is noteworthy because with the influence of organizational level eliminated, the r becomes more distinct ($r = -.31$; $p. < .05$). This not only implies that higher level employees worry more than lower level employees; it also indicates, work ethic and anxiety are inversely related at least for this population.... While the results contradict the hypothesis, they do reinforce the explanation offered under company satisfaction.

Reduction in Consumer Credit

As compared to others, high work-ethic employees were expected to reduce more extensively their use of consumer credit under conditions of severe layoffs. Due to the wording of the appropriate item in the questionnaire, the sign of the correlation sought was positive. The results for subsample (90) are in the predicted direction ($r = .23$; $p. < .05$) and significant, but not much higher than those obtained for the low layoff subsample (10). The results for the marketing oriented firms are unexpectedly negative. While the lack of correlation in subsample (20) is consistent with the modified interpretation of work-ethic, the moderate negative coefficient ($r = -.28$; $p. < .05$) for subsample (70) is difficult to explain.

Curtailment in Vacation Plans

Three of the four correlations modestly support the hypothesis. The positive relationship indicates curtailment is significantly stronger for high work ethic individuals working for engineering firms experiencing high layoffs than for others. For subsample (70), the coefficient is negligible as expected, though negative ($r = -.04$). The slightly larger, though statistically still insignificant, negative correlation ($r = -.13$) in subsample (20) is inconsistent with the hypothesis in both magnitude and direction.

Summary and Discussion

From the field data collected, the moderating impact of work-ethic shapes up as follows: High work ethic individuals working in R&D environments under conditions of low layoffs (subsample 10) were significantly more satisfied and industrious than their low work-ethic counterparts, and as predicted from the interpretation offered under the subheading of company satisfaction before, they worried about the same about potential job loss. However, they were slightly more conservative in their personal spending habits.

High work-ethic oriented people working for aircraft companies heavily afflicted by layoffs unexpectedly showed greater company satisfaction than low work ethic employees and equal motivational disposition to

them. However, consistent with the direction and magnitude of correlations predicted from the hypothesis, high work-ethic employees from subsample (90) were significantly more frugal with credit and more thrifty with vacation expenditures than others.

Contrary to the low or nonexistent correlations expected for high work-ethic employees from the public service organization (subsample 70), they disclosed both higher company satisfaction and motivation than their low work-ethic peers, but simultaneously also significantly more care with credit obligations. Only the findings in regard to anxiety and vacation plans appear as anticipated.

The results for subsample (20) fit the pattern established. Unlike other organizations, however, high work-ethic individuals here felt less anxious than low work-ethic ones, and they were somewhat less willing to reduce credit and vacation expenditures. The perceived protection from further layoffs may account for these findings, particularly in view of management's assurances of continued job security to retained employees.

Thus: On a post-hoc basis, the results can be reasonably well explained and conceptually justified, but collectively as a moderator variable, work-ethic refutes the hypothesis. The practical implications of this conclusion, to the extent not already discussed, will be elaborated upon in chapter four.

Hypothesis 3: Self-Esteem

Under conditions of high layoffs, the higher the retained employees' self esteem: (a) the higher will be their company satisfaction; (b) the lower will be their personally felt anxiety; (c) the less extensively will they reduce the use of consumer credit; (d) the less extensively will they curtail their vacation plans, and (e) the higher will be their motivation.

Company Satisfaction

The lack of strong correlations between self esteem and any of the dependent variables was unexpected, disappointing, and the overriding findings. The trend was set with the results on company satisfaction. As shown in table 14, all four coefficients contradict those predicted, but particularly troublesome is the near lack of correlation in the high lay-off environment of subsample (90). While correlation coefficients do not reflect absolute levels of company satisfaction, it is very clear in this instance that "layoff severity" outweighed self-esteem as determinant of company satisfaction and thereby effectively neutralized its value as moderator. The relatively higher coefficients in both subsample (10) and (70), both low layoff organizations and evidently more subject to the influence of self-esteem, bore out this thesis.

Table 14
Correlations between Self-Esteem and Dependent Variables
by Subsample

SAMPLE CHARACTERISTICS	Engineering Low N=54	Engineering High N=51	Management Low N=41	Marketing High N=40	
SELF-ESTEEM					
Functional Orientation	.14	.16	.12	.11	
Severity of Layoffs	.11	.23*	.17	.17	
Subsample Code					
Effective Sample Size	N=54	N=51	N=41	N=40	
Company Satisfaction	.14	.16	.12	.11	
Motivation	.11	.23*	.17	.17	
Felt Anxiety	-.17*	-.12	.12	-.17	
Credit Reduction	.16	.14	-.17	.11	
Vacation Cancellation	.16	.12	-.13	.15	

Level of Significance

<.10; * <.05; ** <.01; *** <.001

Motivation

Correlation coefficients derived from subsamples (10) and (90) were consistent with the positive relationships predicted. Furthermore, both the lack of significance in subsample (10) and the presence of significance in subsample (90) support the hypothesis. On the other hand, the only marginal correlation for subsample (20), the marketing firm, was inconsistent with the relationship predicted though the results improve slightly with the influence of age eliminated ($r = .25$; $p < .10$). The more formidable coefficient ($r = .27$; $p < .10$) for subsample (70) is also contrary to prediction. An examination of partial correlations in the hope of deflating the statistic only aggravated the situation. Noteworthy among the results was a highly significant ($r = .43$; $p < .01$) when work ethic was held constant. The evident reason for this boost in association is the strong and expectedly negative relationship between self-esteem and work-ethic in this particular subsample ($r = -.32$; $p < .05$).

Felt Anxiety

In three of the four subsamples, the inverse relationship predicted between self-esteem and felt anxiety materialized. The only exception was subsample (70) with an $r = .16$. However, with position of employees eliminated as influence, the coefficient became a more acceptable $r = .06$. The reason for this reduction lies in the strong inverse relationship between self-esteem

and organizational level in this firm ($r = -.34$; $p. < .05$). At first glance, the very low correlations for both subsamples (90) and (20) suggest that, as in the case of company satisfaction, self-esteem may be also overshadowed by layoff severity as determinant of felt anxiety. But some further tests of the data for subsample (20) revealed an $r = .24$ between self-esteem and anxiety when the influence of organizational level was held constant. In addition, a second-order partial coefficient of $r = -.32$ ($p. < .05$) emerged when the additional factor of age was accounted for. These changes seem primarily determined by the inverse relationship between age, organizational level, and self-esteem which existed in this firm, as it did in subsample (70). More specifically, in subsample (20), employees who were young ($r = -.20$) and lower ranked ($r = -.41$; $p. < .01$) were significantly more self-confident than their respective peers. So with the influence of these two factors removed, self-esteem emerged at least somewhat as operative moderator variable between layoff severity and felt anxiety under conditions of high layoffs.

These statistical manipulations aside, and on the basis of zero-order correlations alone, the impact of self-esteem on anxiety under severe layoff conditions still remains questionable. The idea that it is more potent under mild layoff circumstances receives some support from the finding from subsample (10) which shows a moderately high and significant correlation ($r = -.27$; $p. < .05$).

Summary and Discussion

A review of the relationships between self-esteem and the dependent variables tested leaves the following impressions: Consistent with the hypothesis, the degree of self-esteem had no apparent influence on respondent's plans to reduce credit obligations and curtail vacation expenditures in the low layoff situation of subsample (10). Though incongruent with predictions, the slight positive correlations with company satisfaction and motivation were in line with analogous research on self-esteem. These independently derived findings suggest that, everything else being equal, the high self-esteem individual chooses work which is consistent with his self-concept, and hence satisfying and motivating to him (Korman, 1970).

Though similarly not consistent with results expected in the low layoff environment of subsample (10), the significant negative correlations between self-esteem and felt anxiety confirm analogous research by both Feather (1966, 1969) and Wiener (1973). In their experimental work, they exposed high self-esteem individuals to conditions of unexpected failure or threat of failure. Instead of showing signs of irritation, the subjects remained largely unaffected and even motivated by the induced treatment. Resorting to the "protection of ego" concept for justification, the researchers reasoned that the high self-esteem individual protects his self-evaluation by either discrediting the source of failure or blaming the environment for the cause of failure. This rational-

ization allows him to maintain previously held expectations of success and levels of behavior.

While self-esteem appears largely neutralized as a moderator variable under conditions of high layoffs, the responses on motivation indicates an exception. Here, the positive correlations appear as predicted, thereby providing independent support to the research findings by Feather and Wiener mentioned in the preceding paragraph. The incongruity in results between motivation and particularly company satisfaction can be explained as follows: Motivation is intrinsic and hence self-controlled among scientists and engineers, and therefore, remains largely stable under conditions of stress. Company satisfaction is environmentally controlled, extrinsic to the individual, and therefore becomes sensitized by environmental changes. The former remains subject to the protection-of-ego concept even under conditions of severe layoffs; the latter yields to the principles of consistency theory. Accordingly, to avoid incongruence between attitudinal disposition and reality "assessment", severe layoffs prompt high self-esteem scientists and engineers to reassess environmentally related sentiments, such as company satisfaction, whereas intrinsic motivation is not similarly affected, unless the contextual stress directly affects their work per se. The lack of correlations in regard to company satisfaction and the other measures of frustration, and the presence of correlations in motivation lends credence to this suggestion.

Hypothesis 4: Role Ambiguity

Under conditions of high layoffs, the more extensive the experience of retained employees with situations of role ambiguity: (a) the higher will be their company satisfaction; (b) the higher will their motivation; (c) the lower will be their personally felt anxiety; (d) the less extensively will they reduce the use of consumer credit; and (e) the less extensively will they curtail their vacation plans.

Table 15 presents results germane to the above hypothesis. All in all, the data do not support the hypothesis. Instead, what emerges are patterns similar to those observed in the preceding two hypotheses. Role ambiguity seems operative under conditions of mild layoffs where it generated results congruent with those obtained by Rizzo, House, and Lirtzman (1970), Hamner and Tosi (1974), and others. However, under conditions of severe layoffs, the environmental stress outweighed the impact of the factor and, for all practical purposes, neutralized its value as predictor. The only notable support for the hypothesis, though slight and statistically insignificant, came from data collected in subsample (20). A brief sample by sample description follows.

Table 15
Correlations between Role Ambiguity and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>				
Functional Orientation	Engineering	Engineering	Management	Marketing
Severity of Layoffs	Low	High	Low	High
Subsample Code	(10)	(90)	(70)	(20)
Effective Sample Size	N=54	N=51	N=31	N=15
<u>ROLE AMBIGUITY</u>				
Company Satisfaction	-.34**	-.30**	-.18	.10
Motivation	-.35**	-.12	-.26 ^{ns}	.11
Felt Anxiety	.15 ^{ns}	.20 ^{ns}	-.05	-.14
Credit Reduction	.14**	.17	.16	.11
Vacation Curtailment	.14**	.14	.11	-.16

Level of Significance

$n < .15$ * $< .05$; ** $< .01$; *** $< .001$

Subsample (10)

Experience with role ambiguity was inversely related to all five criterion variables. Individuals with greater role ambiguity experience than others describes themselves as less satisfied ($r = -.33$; $p. < .01$), less motivated ($r = -.35$; $p. < .01$), as more anxious ($r = .18$; $p. < .10$) and as more likely to reduce extensively both credit procurement ($r = .38$; $p. < .01$) and planned vacation expenditures ($r = .40$; $p. < .01$).

Subsample (90)

Contrary to prediction, individuals with more role ambiguity experience than others also indicated more dissatisfaction and more personal anguish. But the other three dependent variables registered only negligible correlations. This implies that severe layoffs had an evenhanded impact on all employees, regardless of level of role ambiguity experience. In other words, under conditions of severe layoffs, the environmental stress was sufficiently salient to neutralize the moderator tested.

Subsample (70)

Only few changes in results over those obtained elsewhere were noted here. Dissatisfaction was less pronounced ($r = -.18$), as was anxiety, among high role

ambiguity experienced individuals. Indeed, the slight and negative correlation is consistent with the direction and magnitude hypothesized ($r = -.05$). Similarly, the behaviorally oriented indices of strain were less distinct than those observed for subsample (10).

Subsample (20)

Relatively speaking, the results here were more in line with predictions. The tendency on the part of retained individuals with high role ambiguity experience to be slightly less dissatisfied ($r = .15$), to be somewhat less anxious ($r = -.14$), and to reduce less extensively vacation plans follow a predicted pattern. On the other hand, the findings on credit curtailment and motivation are inconsistent with those hypothesized, but they are in line with similar findings in other subsamples.

Summary and Discussion

Hypothesis 4 was predicated on the assumption that while perception of role ambiguity was dissatisfying and motivationally dysfunctional, experience with role ambiguity would have a conditioning impact and make incumbents more tolerant of it. Since for retained employees with high role ambiguity experience its impact was hypothesized to be less inhibitive, they were predicted to show greater satisfaction and

motivation, and fewer emotionally and behaviorally manifested signs of layoff anxiety than those with less experience.

The field data did not verify this thinking. To respondents working for engineering-oriented, low layoff companies (subsample 10), dysfunctional consequences of role ambiguity regardless of experience were demonstrated across the board. To explain this unexpected finding, one must reach back to the section describing sample and company characteristics. There, it was learned that subsample (10) was drawn from a strong paternalistic organization. This ordinarily implies the presence of well-defined and clearly stated administrative guidelines. Contrary to expectations, however, the recent payroll reductions occurred without warning in addition to which they were not accompanied by management assurances of continued job security for retained employees, nor for that matter, was any counseling offered.

The compounding effect of lacking experience with role ambiguity by virtue of the mechanistic administrative structure, and the absence of management's concern to explain the layoffs produced fear among all workers, but caused those inherently and personally more dependent on goal clarity, and therefore more sensitive to the lack of it, to manifest greater frustration and erosion in motivation. The results from subsample (70), which was subject to similar organizational constraints, confirm this reasoning.

The results for engineering-oriented, high layoff companies (subsample 90) were divided. Role ambiguity experience was negatively related to company satisfaction and anxiety, while only marginally related to motivation. It seems that the combination of frequent and severe layoffs had a uniformly adverse impact on employee motivation, and created conditions which intensified company dissatisfaction in those who had previously experienced similar events. Instead of feeling more prepared, more tolerant and less anxious, they expressed greater frustration and less loyalty than respondents with less role ambiguity experience. Apparently, the intensity of layoffs and the added impact of frequent cutbacks outweighed the moderating impact of the variable tested, and accounted for the higher dissatisfaction scores ($r = -.37$; $p. < .01$) than that registered ($r = -.33$; $p. < .01$) for subsample (10).

The positive correlation between the moderator and company satisfaction in subsample (20) and the negative association with felt-anxiety are consistent with predictions. While it is tempting to attribute the reason for these findings to the moderating power of the variable, an alternate explanation seems more realistic in view of the results in the other subsamples. Consequently, while according to the proportion of employees laid off, subsample (20) qualified as a high layoff organization, the separations there, as previously mentioned, were the first ones on such a massive scale. In addition, management offered assurances to well-performing retained employees. It is

plausible, therefore, that veteran sales people, accustomed to work independently in the field under what often amounts to a management style of "general supervision," reacted "favorably" to the layoff inasmuch as the assurances of continued job security stymied a potential decrease in attitude, while the more recently hired employees found the situation more stressful, despite the assurances. Thus, expected results depended as much on role ambiguity experience than they did on layoff severity, layoff frequency, and management assurances. Role ambiguity alone seems insufficiently salient as moderator variable to explain the findings.

Hypothesis 5A: Participation

Under conditions of high layoffs, the more extensive the experience of retained employees with situations of participative management, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their personally felt anxiety, their reduction in the use of consumer credit, and their curtailment of vacation expenditures.

Table 16
Correlations between Participation and Dependent Variables
by Subsample

SAMPLE CHARACTERISTICS		PARTICIPATION			
Functional orientation	Severity of lavoffs	Low	High	Low	High
Subsample code		110	100	110	100
Effective sample size		N=64	N=61	N=61	N=58
Company Satisfaction		.67**	.61*	.24	.10
Motivation		.47*	.20	.48*	.21
Felt Anxiety		-.11	-.07	.04	.02
Credit Reduction		-.14	.10	-.08	-.18
Vacation Curtailment		-.24*	.21	-.16	-.17

Level of Significance

0 < .10; * < .05; ** < .01; *** < .001

Subsample (10)

Table 16 shows that upward influence in this low layoff R&D organization generated all the reactions expected from a HIGH layoff environment. Employees with greater perceived participation indicated considerably less frustration than others, significantly more motivation and a higher level of company satisfaction than others. The results are thus obviously inconsistent with a-priori predictions.

Subsample (90)

Participation had little apparent impact on work interest, but it did produce company satisfaction scores at the level predicted ($r = .31$; $p. < .05$). Behaviorally manifested anxiety was also inconsistent with predictions. The correlation between upward influence and felt anxiety followed predictions in direction, but not in magnitude.

Subsample (70)

The correlations between participation and motivation ($r = .35$; $p. < .05$) and credit reduction ($r = -.28$; $p. < .10$) were stronger than for subsample (10); those with company satisfaction, felt anxiety, and curtailment in vacation plans more moderate. On the whole, the data does not empirically support the hypothesis.

Subsample (20)

The lack of statistical significance in any of the five dependent variables is incongruent with predictions. In this subsample, layoffs obviously neutralized the impact of all moderators.

Hypothesis 5B: Task Structure

Under conditions of high layoffs, the more extensive the experience of retained employees with situations of task uncertainty, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their felt anxiety, reduction in use of consumer credit, and curtailment in vacation plans.

Company Satisfaction

All four correlations are congruent with predictions. The low coefficient ($r = .09$) for subsample (10) and the relatively moderate ($r = .27$; $p < .10$) statistic for subsample (70) are in sharp contrast to the statistically significant coefficient ($r = .26$; $p < .05$) for subsample (90) and the one ($r = .38$; $p < .05$) for subsample (20). Thus, retained employees with high perceived task uncertainty from both high layoff samples

Table 17
Correlations between Task Structure and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>					
Functional Orientation	Engineering	Engineering	Management	Marketing	
Severity of Layoffs	Low	High	Low	High	
Subsample Code	100	190	070	170	
Effective Sample Size	N=51	N=51	N=31	N=31	
<u>TASK STRUCTURE</u>					
Company Satisfaction	.04	.26*	.07	.25*	
Motivation	.15	.36**	.13	.46**	
Felt Anxiety	.04	.07	.16*	.07	
Credit Reduction	-.07	.11	-.05	-.10	
Vacation Curtailment	-.03	.12	.12	-.12	

Level of significance

0 < .10; * < .05; ** < .01; *** < .001

were significantly more satisfied than those with less task uncertainty experience.

Motivation

These findings provide equally strong evidence in support of the hypothesis. The coefficients are not significant for both low layoff samples. They are highly significant ($r = .33$; $p. < .01$) for subsample (90), and even more clear ($r = .46$; $p. < .01$) for subsample (20).

Task uncertainty implies task diversity and the delegation of task or functional control to the employee. This means that the job holder enjoys operating responsibility and is held accountable by his superiors on the outcome of work, rather than on the procedure applied in achieving the outcome. The more extensive the exposure of a worker to a management style of general supervision, the more he develops the ability to deal effectively with the obstacles of a dynamic organizational environment, and the more tolerant or "immune" he becomes to environmental stress (Korman, 1971). This capacity to adapt manifests itself in continued goal directed behavior, an assertion substantially confirmed in this field research.

Felt Anxiety

Unlike the previous results, the correlations obtained for felt anxiety did not support predictions.

The positive significant correlation obtained for subsample (70) in particular ($r = .30$; $p = .05$) defies easy explanation. One may suggest, however, that the results reflect more a reaction to organizational climate than to task uncertainty. The organization is known for its operating rules and the strict task specialization which permeates the system and relays employees to a level of authoritarian submissiveness. Conditioned to react effectively to directives from superiors when delivered in a codified and carefully spelled out manner, employees there have traditionally received little skill or orientational training in problem diagnosis and decision making. The task uncertainty introduced by layoff they, therefore, find themselves ill prepared to deal with. This then aggravates their personal frustration, as shown in table 17.

The lack of correlations in the three remaining subsamples may be due to the following two factors: First, layoff severity may neutralize the impact of the moderator in the high layoff samples of (90) and (20). It may have a similar effect on subsample (10) since the R&D organization comes to resemble a high layoff firm if the following considerations are taken into account: Management assurances of continued job security were not offered. Layoffs occurred with some frequency over the past three to four years. Finally, the industry as a whole has for some time faced severe retrenchment problems making it more difficult to absorb laid-off scientists. These considerations affect the work itself of scientists --not only the en-

vironment they are employed in at the moment-- and since task structure measures this very quality of the job, the low correlations are understandable. In essence, they imply that even scientists, who enjoy considerable task autonomy, are fearful of job loss when re-employment opportunities become severely restricted.

A second, unrelated, explanation for the low correlations in the three subsample is statistical in nature. A check of response distribution reveals very small within and between sample variations in this variable. The restricted range in scores causes low correlations and could account for the results obtained (Quinn McNemar, 1969, p. 162).

Reduction in Consumer Credit

The low negative correlation for both subsamples (10) and (70) support the hypothesis, as does the slightly higher score for subsample (20). However, the positive correlation registered for subsample (90) is inconsistent with predictions. The overriding saliency of severe layoffs may again be the cause.

Curtailement in Vacation Plans

An only marginal relationship between task structure and this dependent variable seems evident from the data presented in table 17.

Summary and Discussion

The data analyzed in connection with both Hypotheses 5A and 5B suggest the following three conclusions which form the basis for the upcoming discussion:

1. As a moderator variable, task structure was considerably more powerful than participation, particularly in regard to company satisfaction and motivation.
2. Regardless of their experience with situations of participation or task structure, retained employees working for engineering oriented firms showed little variation in fear of job loss, concern over the economic conditions in general, and personal spending habits, as reflected in credit and vacation expenditures.
3. As an explanatory variable, the term "severity" may usefully be viewed as more than only "proportion of employees laid off." The term should be extended to include frequency of layoffs, level of relevant industry-wide layoffs, and extent of management assurances of continued job security.

The findings suggest that severe industry-wide cutbacks in professional manpower requirements coupled with high company layoffs precipitate dysfunctional repercussions in otherwise experienced, cosmopolitan, flexible, and confident scientists who still work.

The results also indicate that similar responses can be expected even under conditions of mild and intermittent cutbacks when assurances of long term job security are not offered by management. To the scientists assessed, the possibility of interrupting or terminating their life work and interest central to their self-concept induces strong frustration.

Independent support for this conclusion comes from a number of sources. In a literature review of available evidence, H. G. Kaufman (1975) refers to studies which show that "since self-identity and life satisfaction of professional are so strongly intertwined with their work, there is little doubt that job loss leads to psychological consequences more severe than those experienced by non-professionals." Another source, also quoted by Kaufman, suggests as explanation that "relatively high status persons suffer more during an economic downturn than those of relatively low economic status because they have more to lose.... Then secondly, it is possible, that higher status people generally have a greater concern with socio-economic status and, therefore, experience greater psychological loss during the downturn." (Brenner, 1967)

The frame of mind attributed to professionals as a function of unemployment in the studies quoted by Kaufman is consistent with the empirical data of this study when applied to the layoff of fellow employees. What requires explanation are, however, the seemingly incongruent findings between frustration

on the one hand, and motivation and company satisfaction on the other. First, an analysis of the relationship between anxiety and company satisfaction.

Transferring locus of control to professional employees offers them the task autonomy sought for experiencing task satisfaction. (This assumes that other requisites are satisfied as well.) But task satisfaction is not the same as company satisfaction. Indeed, under ordinary conditions, professional employees often show a peculiar lack of company loyalty which allows them to change employers relatively easy and unhesitatingly to further their own professional growth (e.g. Hall, Schneider, Nygren, 1970). However, under conditions of high industry layoffs, the decline in job opportunities elsewhere prompts scientists to reassess their relationship to their current organization and produces in them a sense of gratitude for the task satisfaction afforded them, which manifests itself in higher company satisfaction scores. This conclusion is also predictable from consistency theory. Thus, the anxiety expressed by professionals under conditions of "severe layoffs" --as originally defined and/or as conceptually modified-- is consistent with their company satisfaction, if not a precondition for it.

To assure organizational effectiveness, decentralizing functional control downward must be accompanied with a diffusion of upward influence, because the opportunity to participate in administrative decision processes is both ego-enhancing and goal-clari-

fyng. While theoretically the two concepts are equally salient in assuring company satisfaction and motivation, in this research, participation turned out to be a much less powerful moderator variable than task structure (uncertainty). In particular, participation did not produce the results expected in regard to company satisfaction. Two suggestions can be offered as possible explanations for the discrepancy:

1. To higher-order-need-conditioned professionals, participation no doubt is important as status symbol. It also facilitates involvement in decision making, and as a consequence, greater company satisfaction regardless of layoff severity. But then, why the absence of correlation ($r = .01$) for subsample (20)? The answer may be that geographic proximity is a necessary condition for proper implementation of participation. Unlike subsample (10) and (90) where professionals work in geographically centralized organizations, respondents in subsample (20) were salespeople who, by nature of their work, are dispersed all across the United States. To them, direct participation is an insignificant inducement, and hence, irrelevant to company satisfaction.

2. The alternate explanation draws upon the currently popular path-goal-theory of leadership (e.g. House and Mitchell, 1974; Greene, 1974) which ties leadership style to task structure. The possibly most essential feature of the theory is the assertion that under conditions of high task uncertainty, a leadership style of initiating structure is necessary to as-

sure organizational effectiveness. Accordingly, individuals engaged in ill-defined tasks demand clear administrative guidelines --as distinguished from operating guidelines-- from their superiors. The presence of unclear administrative guidelines precipitates adverse reactions. One technique which facilitates clarity of expectations is direct participation in administrative decision processes through such channels as M B O and small group discussion. Thus, on the basis of path-goal-theory, and if the term initiating structure is explicitly delimited to the factor of administrative guidelines, the following conclusion emerges: To scientists and other professional employees routinely engaged in highly uncertain tasks who also enjoy considerable task autonomy, participative management is conducive to avoid the dysfunctional consequences of role ambiguity and to assure company satisfaction. The results presented in table 15 on role ambiguity and in table 16 on participation confirm this conclusion. Indirectly, they also offer independent support for a significant part of the path-goal-theory of leadership.

This discussion has accounted for the differences in answers between company satisfaction obtained on the bases of task structure and participation, and in a minor way, role ambiguity. It has also reconciled the apparent incongruence between layoff severity, company satisfaction, and anxiety as predicted from task structure. Not yet discussed are motivation findings which exhibit similar inconsistencies. Here, again, two explanations can be suggested:

One explanation, discussed earlier under the heading of self-esteem, suggests that motivation, company satisfaction, and anxiety are phenomenologically unrelated concepts in scientists and similar professionals. More specifically, as a self-controlled and work-content-oriented phenomenon, motivation is more sensitive to work-content related moderators than to work-context factors under conditions of severe layoffs. Thus, "task structure," as a work-content moderator, plays a central role in the internal motivation of professionals which manifests itself even under conditions of high layoffs.... Strong empirical support for this proposition was furnished by table 17.

"Participation," on the other hand and as already stated, reflects an employee's upward influence. It is one factor among several which regulates his relationship to the executive structure of the organization. To the highly task-oriented professional employee, administrative distance is clearly a work-contextual variable useful for status considerations within the firm, and important for assuring goal-clarity, but of only peripheral saliency in inducing motivation. As such, "task structure" should have greater force on the motivation of cosmopolitan professionals than "participation". Empirical support for this proposition is furnished by table 16 and table 17.

To recapitulate: Because "task structure" more accurately reflects the motivational predisposition of professionals, such employees can be expected to main-

tain their task commitment and professional integrity even under conditions of severe layoffs. "Participation" is not as important to them. However, professionals will worry about re-employment under severe industry layoff conditions. To maintain cognitive consistency, they will develop an appreciation for their retention by the company. This will show up in higher company satisfaction scores. As a work-contextual property, "participation" predicts these outcomes better than "task structure."

Hypothesis 6: Organizational Level

Under conditions of high layoffs, the higher the hierarchical position of retained employees, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their felt anxiety, reduction in use of consumer credit, and curtailment in vacation plans.

This hypothesis was based on the assertion that individuals employed at higher organizational levels have more prestige and power than lower-ranked employees and with it more support from the organization. They should, therefore, feel more sheltered from layoffs, and as a consequence, show higher company satisfaction and motivation.

Table 18

Correlations between Organizational Level and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>					
Functional Orientation	Engineering	Engineering	Management	Marketing	
Severity of Layoffs	Low	High	Low	High	
Subsample Code	(1)	(9)	(7)	(2)	
Effective Sample Size	N=54	N=51	N=41	N=15	
<u>ORGANIZATIONAL LEVEL</u>					
Company Satisfaction	-.12 ^a	-.14	-.16	.09	
Motivation	.00	.02	-.33*	-.21 ^a	
Felt Anxiety	-.05	.06	-.31*	-.34*	
Credit Reduction	-.04***	.11	-.16	-.26 ^a	
Vacation Curtailment	.16*	-.14	-.20	-.05	

Level of Significance

a < .10; * < .05; ** < .01; *** < .001

Table 18 offers at best weak support for the hypothesis. Since nine of the twelve coefficients occur in the direction sought, the results on the anxiety measure may be said to be partially consistent with expectations. The results on company satisfaction cannot even claim partial consistency with expectations. In addition, these results contradict the prevailing view in the empirical literature that a positive relationship exists between organizational level and satisfaction.

The near zero correlations for motivation in engineering-oriented firms and the significant coefficients in marketing-oriented firms are puzzling. What they suggest is that differences in motivation reflect differences in individual orientation and the "type" of work the employee engages in rather than his organizational level. This is consistent with the findings by Hall, Schneider, and Nygren (1970). Accordingly, if task-oriented scientists and engineers, who normally do not care much for management positions because they regard full-time administrative responsibility as inimical with their primary research interests, find themselves even deeper involved with unpalatable administrative duties by virtue of severe layoffs, the adverse impact on motivation can be only compounded.... The absence of differences in job interest between lower and higher ranked engineers in subsample (90) is, therefore, conceptually correct. The negative correlation in company satisfaction, though not significant, adds credence to the interpretation offered, as do the positive scores in regard to anxiety.

On the other hand, the responses obtained from the more organization-minded higher ranked employees from subsample (20) came as total surprise. Since for them promotion ought to be both highly valent as status symbol and instrumental to success as they presumably perceive it, one would expect a positive correlation between motivation and organizational level. Instead, and for unexplained reasons, the results are negative and statistically significant in motivation ($r = -.23$; $p < .10$), and marginal for company satisfaction. Conversely, the negative anxiety results are consistent with expectations.

The reactions by respondents from subsample (20) are equally incongruent with the hypothesis. One explanation for these results is presented as part of the discussion at the end of the next hypothesis.

Hypothesis 7: Geographic Mobility

Under conditions of high layoffs, the higher the retained employees' willingness to relocate, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their felt anxiety, reduction in the use of consumer credit, and curtailment of vacation plans.

Geographic mobility was measured with two questions. The first one concerned the respondent's willingness to relocate within the United States; the other ascertained his willingness to move overseas for another job. Of the 171 respondents questioned, nearly 75 per cent indicated readiness to relocate within the United States, while an expectedly much lower 36 per cent felt the same about moving abroad. Separate analyses were conducted for each of the two factors. The results are presented in tables 19 and 20, respectively.

Willingness to Relocate Within U.S.

This moderator variable proved negatively related to company satisfaction for subsamples (10) and (20). In addition, with the reluctance of high work-ethic individuals partialled out in the latter, the correlation increased to significance ($r = -.39$; $p < .05$). The slight positive finding for subsample (90) is in the direction hypothesized, while that for subsample (70) turned out unpredictably high.

A closer examination of subsample (70) responses reveals that they reflect a broad and complex organizational problem which becomes clear when the variables are inverted and interpreted. What the data indicate is that those willing to move are more satisfied than others or at least bear the burden of frustration somewhat better than the others. Support for this interpretation comes from a significant first-order partial cor-

Table 19

Correlations between "Mobility Within USA" and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>					
Functional Orientation	Engineering	Engineering	Management	Marketing	
Severity of Layoffs	Low	High	Low	High	
Subsample Code	(10)	(90)	(70)	(20)	
Effective Sample Size	N=51	N=51	N=28	N=12	
<u>MOBILITY WITHIN USA</u>					
Company Satisfaction	-.14	.09	.13	-.25 ^o	
Motivation	.03	-.02	.13	-.25 ^o	
Felt Anxiety	-.18	.07	-.21	-.15	
Credit Reduction	-.11	.13	-.04	-.02	
Vacation Curtailment	.09	-.08	-.08	-.04	

Level of Significance

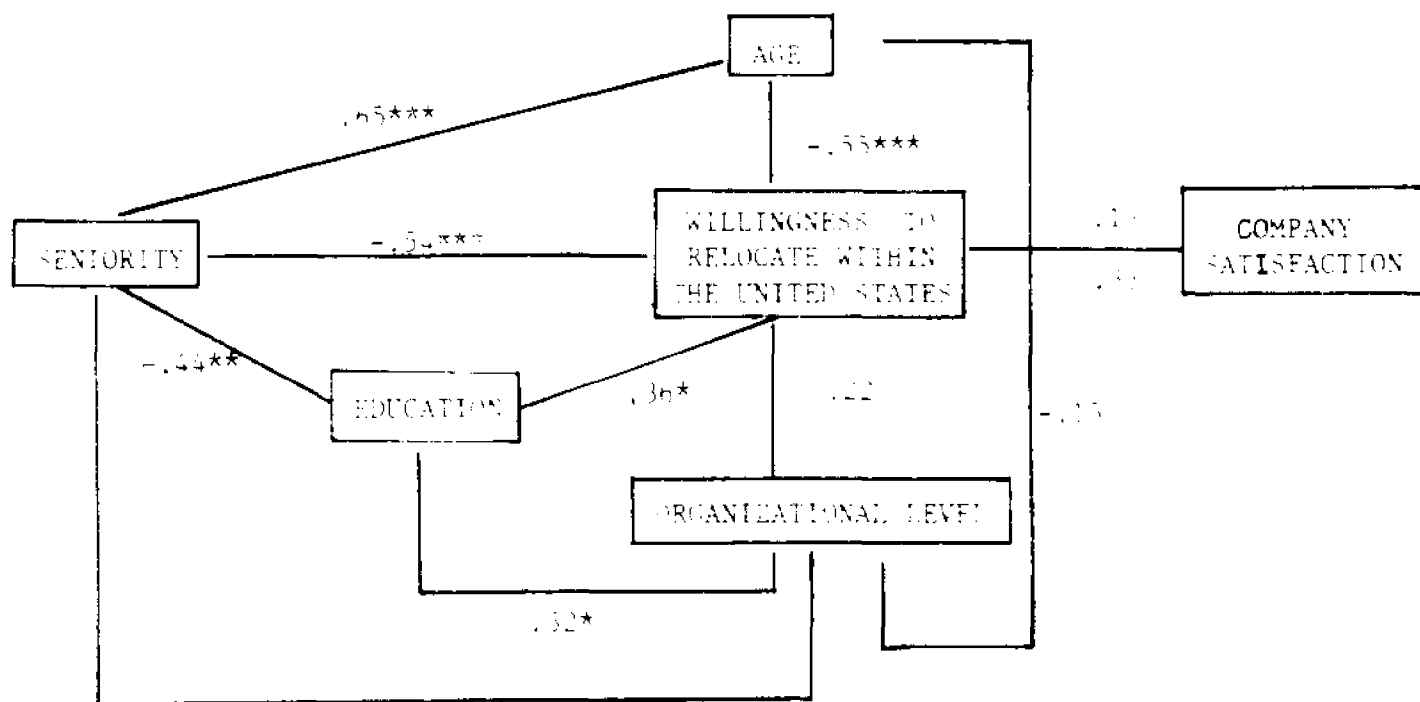
o < .10; * < .05; ** < .01; *** < .001

relation between willingness to relocate within the United States and company satisfaction with seniority controlled for ($r = .33$; $p < .05$). The 20 point increase in association between this and the zero-order coefficient is produced by a moderately strong negative relationship between seniority and willingness to move. In other words, low seniority workers express less dissatisfaction because they are willing to relocate in case of a layoff and feel certain they have the necessary skills to find work elsewhere. A further probing of the data indicates that those willing to move are younger ($r = -.55$; $p < .001$), have less seniority ($r = -.54$; $p < .001$), relatively higher formal education ($r = .36$; $p < .05$) and relatively high organizational positions ($r = .22$; p N.S.). Table 18A where these figures are presented more formally also shows that while promotion related strongly to education ($r = .32$; $p < .05$), it is not contingent on seniority and is indeed inversely related to age. A last important factor to be considered before conclusions will be drawn is that all respondents from subsample (70) were first -and second level management employees, only.

Taken together, the data suggest that while the younger, more formally educated managers feel that promotion to first and second level management jobs depends on performance and efficiency, further upward mobility remains blocked by the more traditional advancement criteria of seniority and social class membership. While feelings of career arrest persist all around, those willing to relocate seem evidently less

Table 14 A

Model of Relationship Between Willingness to Relocate,
Company Satisfaction, and Selected Demographic Variables:
Subsample 70



affected by it. Corroborating evidence for these conclusions comes from the negative correlation between anxiety and the moderator ($r = -.21$) and the negative statistic between organizational level and anxiety, as mentioned previously. ($r = -.31$; $p. < .05$).

The scenario just described about subsample (70) received further corroboration from a well-regarded executive of the organization who, during a conference, voiced concern about what he called the "deep unrest among lower managers, the result of which has made the place look like a resumé factory."

Willingness to Move Overseas

Table 20 shows that for both high layoff subsamples willingness to relocate abroad is negatively related to company satisfaction and motivation, and in general, it is positively related to the anxiety measures. The low correlations for subsample (10) are consistent with those hypothesized. The only anomalous result occurred in regard to felt anxiety. The significant negative coefficient indicates that those retained employees who considered as plausible alternative moving overseas were appreciably less apprehensive than others. The answers from subsample (70) are basically inconsistent with predicted results. Particularly noteworthy here is the positive correlation between felt anxiety and all predictor variables, except company satisfaction.

Table 29

Correlations between "Mobility Overseas" and Dependent Variables
by Subsample

SAMPLE CHARACTERISTICS				
Functional Orientation Severity of Layoffs Subsample Code Effective Sample Size	Engineering Low (100) N=51	Engineering High (90) N=55	Management Low (70) N=35	Marketing High (20) N=52
Company Satisfaction	.05	-.15	-.09	-.12 ^{ns}
Motivation	.05	-.21	.22	-.12 ^{ns}
Felt Anxiety	-.31*	.03	.10	.12 ^{ns}
Credit Reduction	-.05	-.06	.32*	.01
Vacation Curtailment	-.03	.12	.15	.07

Level of Significance

o < .10; * < .05; ** < .01; *** < .001

Hypothesis B: Occupational Mobility

Under conditions of severe layoffs, the higher the occupational mobility of retained employees, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their felt anxiety, their reduction in use of consumer credit, and their curtailment in vacation plans.

"Occupational Mobility" was operationally defined as a multifaceted construct reflecting the factors listed below. Each factor was analyzed separately.

- (a) JOB CHANGE over past 10 years;
- (b) SAME WITH CUT, willingness to accept a job in current field of employment at cut in pay;
- (c) PERCENT REDUCTION I, acceptable reduction in pay when (b) applies;
- (d) CHANGE WITHOUT CUT, willingness to accept a job in an alternate field of employment without reduction in pay;
- (e) CHANGE WITH TRAINING, willingness to accept a job in an alternate field of employment despite required retraining;

- (f) CHANGE WITH CUT, willingness to accept a job in an alternate field of employment despite reduction in pay;
- (g) PERCENT REDUCTION II, acceptable reduction in pay when (f) applies.

JOB CHANGE

Retained employees with more turnover experience should manifest higher company satisfaction and motivation, and lower frustration than others.

Table 21 shows that the positive correlations expected for company satisfaction and motivation generally did not materialize. The strong negative relationship in subsample (20) was particularly puzzling inasmuch as management offered assurances of job security to those retained. The negative findings for felt anxiety and curtailment in vacation plans partially support expectations.

SAME WITH CUT

Nearly all correlations established for this hypothesis and presented in table 22 support the results sought. All correlations from subsample (20) conform to direction predicted. In addition, four of the five statistics show the significance sought. The strongest

Table 21
Correlations between "Job Change" and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>				
Functional Orientation	Engineering	Engineering	Management	Marketing
Severity of Layoffs	Low	High	Low	High
Subsample Code	(1)	(9)	(10)	(2)
Effective Sample Size	N=54	N=51	N=31	N=15
<u>JOB CHANGE</u>				
Company Satisfaction	-.05	-.09	-.15	-.02
Motivation	-.02	-.04	.02	-.50***
Felt Anxiety	-.07	-.11	-.17	-.15
Credit Reduction	.14*	-.11	.20	.19
Vacation Curtailment	.18*	-.12	.12	-.22

Level of Significance:

o < .10; * < .05; ** < .01; *** < .001

relationships relate to company satisfaction ($r = .43$; $p. < .01$) and reduction in credit use ($r = -.37$; $p. < .05$). In subsample (90), the anxiety results, in particular, offer strong evidence in support of the hypothesis. The significant correlations for felt anxiety ($r = -.40$; $p. < .01$), retention of credit obligations ($r = -.33$; $p. < .01$), and curtailment in vacation plans ($r = -.21$; $p. < .10$) suggest that employees may willingly agree to a pay cut in return for a job in their current field of employment. Equally consistent with the hypothesis are the strong correlations between the moderator variable, company satisfaction ($r = .28$; $p. < .05$) and motivation ($r = .26$; $p. < .05$).

Both low layoff organizations generated results substantially consistent with expectations. The only notable exceptions occur with the behaviorally manifested anxiety measures in subsample (10). They are more like ones expected from a high layoff sample. This may be explained by the lack of management assurances following layoffs, high industry layoffs, and the intermittent nature of payroll reductions.

PERCENT REDUCTION I

According to table 22, answers from subsample (10), with the sole exception of the negative correlations for motivation, were generally consistent with expectations for a low layoff organization. Subsample (90) generated results which were expected, too.

Table 22

Correlations between Occupational Mobility and Dependent Variables
by Subsample

SAMPLE CHARACTERISTICS Functional Orientation Severity of Layoffs Subsample Code	Engineering Low (10)	Engineering High (90)	Management Low (70)	Marketing High (20)
SAME WITH CUT (Ns)	(N=51)	(N=49)	(N=28)	(N=32)
Company Satisfaction	.05	.28*	-.05	.43**
Motivation	.13	.26*	.18	.23 ^o
Felt Anxiety	.13	.47**	-.03	.32*
Credit Reduction	-.30*	-.33**	-.09	-.37*
Vacation Curtailment	-.27*	-.15	.01	-.10
PERCENT REDUCTION I	(N=51)	(N=45)	(N=28)	(N=32)
Company Satisfaction	.05	.27*	.12	-.01
Motivation	.16	.01	.02	.01
Felt Anxiety	.04	-.15	.21	.13
Credit Reduction	.03	-.17	-.14	-.32*
Vacation Curtailment	-.10	.01	-.24 ^o	-.20
CHANGE WITHOUT CUT	(N=51)	(N=48)	(N=28)	(N=32)
Company Satisfaction	.02	.22 ^o	-.16	.07
Motivation	.16	.16	-.11	.11
Felt Anxiety	.26*	.27*	-.12	.03
Credit Reduction	.03	.27*	-.08	-.21
Vacation Curtailment	.08	.06	.12	-.09
CHANGE WITH TRAINING	(N=51)	(N=48)	(N=28)	(N=32)
Company Satisfaction	.14	.06	.02	-.11
Motivation	.24*	-.02	-.11	.08
Felt Anxiety	.15	.25*	-.03	-.01
Credit Reduction	.12	.36**	.20	-.05
Vacation Curtailment	.20 ^o	.05	.24 ^o	-.06
CHANGE WITH CUT	(N=51)	(N=48)	(N=28)	(N=32)
Company Satisfaction	.25*	-.32*	-.04	-.11
Motivation	.23*	-.25*	-.29 ^o	-.06
Felt Anxiety	.03	.27*	-.15	.20
Credit Reduction	.08	.10	-.22 ^o	.10
Vacation Curtailment	.09	.39**	-.16	-.17
PERCENT REDUCTION II	(N=51)	(N=42)	(N=28)	(N=32)
Company Satisfaction	-.02	.10	.12	-.02
Motivation	-.02	.16	-.09	.13
Felt Anxiety	.08	.11	.20	-.03
Credit Reduction	.01	-.02	.15	.16
Vacation Curtailment	.01	.09	.23	.22

Level of Significance

o < .10; * < .05; ** < .01; *** < .001

The pattern of responses presented in table 22 suggests that when asked to project their feelings in the matter, engineering-oriented retained employees willing to accept larger paycuts than others were more satisfied, less anxious, though not dissimilar in motivation than the others. The reason for this pattern is not entirely clear. But it may be connected with greater financial independence of some as compared to others. This possibility will again be raised further on.

CHANGE WITHOUT CUT

Consistent with the hypothesis, respondents from subsample (10) willing to change jobs when no loss of pay is involved did not differ markedly in company satisfaction from those not willing to do so. According to table 22, they also shared similar attitudes in regard to the behaviorally manifested measures of anxiety. On the other hand, they registered greater felt anxiety ($r = .26$; $p. < .05$) than their less mobile peers.

The relationships expected for the severe lay-off subsample (10) came true only for company satisfaction. Felt anxiety and reduction in use of consumer credit produced positive instead of negative correlations. No significant pattern of responses emerged for the other measures from subsample (90) and from subsamples (70) and (20) in general.

CHANGE WITH TRAINING

The data of table 22 also shows a number of interesting patterns in regard to this moderator. Engineering-oriented respondents produced mostly positive correlations while the coefficients from marketing-oriented participants were nearly always negative. In addition, several pairwise groupings partially consistent with predicted results also emerged. But overall, only the answers obtained from subsample (90) come even close to anything resembling uniformity.

CHANGE WITH CUT

For subsample (10), variations in this moderator variable had no apparent impact on frustration. Furthermore, according to table 22, respondents who were willing to accept a paycut as condition for getting a job in another field seemed more satisfied than others ($r = .25$; $p. < .05$), and more motivated ($r = .23$; $p. < .05$). For subsample (20), the results were inconclusive, while for respondents from subsample (70), it related favorably to both felt and behaviorally manifested anxiety, and adversely to motivation ($r = -.29$; $p. < .10$). For subsample (90), variations in the moderator led to significant variations in all but one criterion measure. The results indicate clearly that frustrated employees who were not satisfied with their company ($r = -.52$; $p. < .05$) nor highly motivated ($r = -.25$; $p. < .05$) expressed higher preference for this choice than for others.

PERCENT REDUCTION II

No significant relationships were found between this variable and the dependent variables measured.

A discussion of these the previous findings described in the context of hypotheses 8 will be jointly discussed with the results of the next hypothesis.

Hypothesis 9: Income Independency

Under conditions of high layoffs, the more substantial the level of alternate income of retained employees, (a) the higher will be their company satisfaction and motivation, and (b) the lower will be their felt anxiety, their reduction in use of consumer credit, and their curtailment in vacation plans.

The rationale behind this hypothesis was that retained workers with independent sources of financial support, such as savings, unemployment compensation, and working spouses, ought to be less adversely affected by unemployment than those solely dependent on their job for financial support, therefore also

less frustrated by the prospect of unemployment should they personally be affected by it.

"Extensiveness of alternative income" was measured with two questions. One asked whether respondent would decline an initial job offer; the other asked him to project the duration of their job search. According to table 23, which presents the findings, retained employees with independent financial means from subsample (90) were less satisfied and motivated than others but also less frustrated. Three of the six correlations from subsample (90) appear in the direction predicted with all of them near or at statistically significant levels. On the other hand, those from the same sample who projected longer job search were also significantly more frustrated.

The combined results for subsample (90), therefore, suggest that of the respondents who prefer to decline an initial job offer, the more anxious among them project a longer period of unemployment than others, though they were seemingly less frustrated to begin with. The results from subsample (70) are dominated by the statistically significant and negative correlations between company satisfaction and weeks spent on additional job search ($r = -.57$; $p. < .05$), and the very strong and positive relationship between the same moderator and curtailment in vacation plans ($r = .44$; $p. < .01$). These coefficients indicate that retained employees highly dissatisfied and demotivated with their present job conditions are the ones most likely to initiate prolonged job searches. They seemingly do not

Table 23

Correlations between Financial Independence and Dependent Variables
by Subsample

<u>SAMPLE CHARACTERISTICS</u>					
Functional Orientation	Engineering	Engineering	Management	Marketing	
Severity of Layoffs	Low	High	Low	High	
Subsample Code	(1)	(90)	(70)	(20)	
Effective Sample Size	N=31	N=49	N=28	N=32	
<u>DECLINE OF INITIAL JOB OFFER</u>					
Company Satisfaction	.06	-.33*	.01	.04	
Motivation	-.13	-.12	-.01	.05	
Felt Anxiety	.25 ^c	-.18	-.05	.11	
Credit Reduction	-.17	-.26*	-.26	.06	
Vacation Curtailment	-.21	-.26*	-.01	.15	
<u>WEEKS OF UNEMPLOYMENT</u>					
Company Satisfaction	.11	.04	-.33*	.03	
Motivation	-.1	-.07	-.15	-.16	
Felt Anxiety	-.1	.41**	.08	.22	
Credit Reduction	.13	-.11	.23	.01	
Vacation Curtailment	-.13	-.03	.44**	-.15	

Level of Significance

c < .10; * < .05; ** < .01; *** < .001

feel threatened by lengthy unemployment, but they are willing, should the need arise, to cut back drastically on vacation expenditures (and presumably other luxury expenses) to get by on the alternate income available to them in the meantime. These results are thus consistent with those obtained for hypothesis 7.

No clear pattern emerged for either subsample (10) or (20). However, in subsample (10) the positive relationship between felt anxiety and refusal to accept an initial job offer ($r = .25$; $p < .05$) indicates some apprehension over readjustment in retained employees.

Summary and Discussion

At issue in hypotheses 7, 8, and 9 is the problem of post-separation-adjustment. It is of concern not only to employees actually laid off, but it is of interest also to retained employees who face the possibility of involuntary separation, the likelihood of which is considerably increased under conditions of severe layoffs. Arranged by subsample, the following response patterns were obtained when asked to react in a hypothetical sense to their own layoff:

Consistent with the hypothesis, no clear pattern developed for the low layoff organization (subsample 10). An only notable but weak trend emerged for respondents who expressed feelings of anxiety and/

or who were not satisfied with their company or not strongly motivated. They seem to prefer a change in their field of employment even it means taking a cut in salary, moving abroad, or submitting to retraining. A fairly clear pattern emerged, on the other hand, for respondents from subsample (90). Here, retained employees who were both satisfied and motivated, and also felt less threatened than others by the layoff of co-workers preferred to remain in their field of current employment with a pay cut, if necessary. Those who were neither satisfied, nor motivated were inclined to reject an initial job offer and hold out for better opportunities if they were not anxious. To manage in the meantime, they seemed determined to rely on alternate sources of income and help out by cutting back extensively on luxury expenses. Retained employees who felt threatened by a possible layoff but simultaneously also expressed company satisfaction and/or maintained motivation indicated a preference for switching fields of employment if pay cuts were not made a condition of such a move. Those who were frustrated as well as dissatisfied and not motivated seemed to accept the alternative of changing occupations even if retraining or a cut in pay was made condition of re-employment.

Of the several alternatives respondents were asked to respond to, only two formed a visible pattern for subsample (70). These were willingness to relocate overseas or elsewhere in the U.S., and rejection of initial job offers. Both of these alternatives were favored particularly by dissatisfied

workers. Consistent with the hypothesis, retained employees from the high layoff organizations of subsample (20) who were satisfied, motivated, and not anxious expressed strong preference for remaining in their current occupational field. To accomplish this objective, they were willing to take cuts in salary, if necessary, or to relocate elsewhere in the United States.

Thus, the answers to hypotheses 7, 8, and 9 show that while an overwhelming majority of retained employees in the overall sample expressed readiness to relocate within the United States, no discernable pattern emerged in regard to satisfaction, motivation and frustration of these individuals. Likewise, with the exception of subsample (90), the alternatives relevant to occupational mobility produced results largely inconsistent and inconclusive in nature. One reason for these findings may be that generous unemployment compensation payments encouraged long term employees to opt for a period of unemployment rather than switching immediately into other fields of work. A second reason, more statistical in nature, is suggested by table 24. Because of the strong intercorrelations present for three of the five alternatives, the table indicates that for all practical purposes, the alternatives on occupational mobility fall into three category for all but subsample (90). These are as follows: Remaining in the current field of employment with a reduction in pay; refusing to accept an initial job offer; and the remainder.

Table 24
Matrix of Intercorrelations Between
Post-Separation-Adjustment-Related Variables

SUBSAMPLE 10		(a)			
		2	3	4	5
Same With Cut	1	.17	.11	.17	.03
Change Without Cut	2		.60***	.41***	-.13
Change With Retraining	3			.62***	-.09
Change With Cut	4				.10
SUBSAMPLE 90		(a)			
		2	3	4	5
Same With Cut	1	-.42***	.59***	-.49***	.11
Change Without Cut	2		.58***	-.26*	-.63***
Change With Retraining	3			-.07	-.53***
Change With Cut	4				.17
SUBSAMPLE 70		(a)			
		2	3	4	5
Same With Cut	1	.31	.20	.38*	.29 ⁰
Change Without Cut	2		.70***	.25 ⁰	.04
Change With Retraining	3			.37*	.22
Change With Cut	4				.71***
SUBSAMPLE 20		(a)			
		2	3	4	5
Same With Cut	1	.12	-.11	-.14	-.07
Change Without Cut	2		.59***	.50***	-.11
Change With Retraining	3			.47**	.07
Change With Cut	4				.30*

(a) Refusal to Accept Initial Job Offer

Significance: 0 < .10; * < .05; ** < .01; *** < .001

Some Post Hoc and Exploratory Considerations

Table 24 furnishes the basis for a more detailed post hoc and exploratory analysis of projected post-separation-adjustment modes on the part of respondents. According to the results, respondents from subsample (70) would gladly move out from their current field of employment if staying in means taking a pay cut. Probably realizing their limited education, they would not mind some retraining if that meant avoiding a salary cutback ($r = .70$; $p. < .001$). If that turned out to be impractical they still would prefer switching fields, even at a cut in salary ($r = .38$; $p. < .05$). However, if it becomes a matter between choosing a pay cut in another field and declining an initial offer, the latter seemed more desirable to most survey participants ($r = .71$; $p. < .001$).

Respondents from subsample (90) similarly produced a clear delineation of preferences. Those who favored employment in their current field of occupation at a cut in pay objected strongly to a change in field but they were quite indifferent toward declining an initial job offer. On the other hand, to those for whom swift-re-employment was essential, a change in occupational orientation was a viable alternative, even if the move was made contingent on retraining or a reduction in salary. Respondents from subsample (20) perceived three distinct choices, as outlined above. The same applies to subsample (10).

In explaining these findings, one must consider

that the companies examined fell into classes of high and low need fulfillment. Subsamples (70) and (90) were clearly low need satisfying environments. By virtue of their respective job conditions, respondents from both sets of organizations endured intense frustration. In subsample (70), dissatisfaction was apparently the result of internal discontent; in subsample (90), it was the result of severe company and industry-wide layoffs which crippled the re-employment market for aircrafts-oriented design engineers. Subsamples (10) and (20) fall into the category of relatively high need fulfillment.

A closer examination of correlation coefficients germane to the issue at hand disclosed significant interactions between these variables, the personality factors of self-esteem and work-ethic, and level of company satisfaction. On this basis, the following propositions can be suggested as tentative explanation:

The higher the self-esteem of retained employees, the higher seem their preference for rejecting an initial job offer than than resorting to the other alternatives. Conversely, the higher the work-ethic of retained employees, the higher the probability they will accept any reasonable job opportunity to get back to work and, correspondingly, the lower their preference for declining an initial job offer.

Modest evidence in support of these propositions comes from table 25. It shows that in the high need dissatisfying environment of subsample (70), a statist-

Table 25

Matrix of Zero-Order Correlations Between
Post-Separation-Adjustment-Related Factors,
Work-Ethic and Self-Esteem

	(a) 1	(b) 2	(c) 3	(d) 4	(e) 5
SUBSAMPLE 10					
Work-Ethic	-.10	-.04	.03	.11	-.08
Self-Esteem	.10	.21 ⁰	.20 ⁰	.10	.22*
SUBSAMPLE 90					
Work-Ethic	.05	.25*	.23 ⁰	-.18	-.26*
Self-Esteem	.10	.08	-.19 ⁰	-.13	.18
SUBSAMPLE 70					
Work-Ethic	.01	.02	-.06	-.10	.13
Self-Esteem	-.51*	-.06	-.01	.04	.16
SUBSAMPLE 20					
Work-Ethic	.14	.16	.13	.13	.01
Self-Esteem	-.20	.16	-.16	-.04	-.03

(a) Same With Cut

(b) Change Without Cut

(c) Change With Retraining

(d) Change With Cut

(e) Refusal to Accept Initial Job Offer

Significance: $\alpha < .10$; * $< .05$; ** $< .01$; *** $< .001$

ically significant negative correlations exists between self-esteem and "willingness to accept a job in the current field of employment with paycut" ($r = -.41$; $p. < .05$). This relationship is consistent with predicted results, and so is the negative correlation between work-ethic and "refusal to accept initial job offer" ($r = -.13$). Likewise, the objection shown by self-esteem individuals in subsample (90) toward "changing jobs if retraining is involved" ($r = -.19$; $p. < .05$) and their preference for declining an initial job offer ($r = .18$) support the propositions. The preferences by high work-ethic individuals for different jobs without cut in pay ($r = .25$; $p. < .05$) or those involving retraining ($r = .23$; $p. < .05$) are equally consistent with the propositions. On the other hand, less well defined correlations emerged as predicted for the relatively more need satisfying environments of subsamples (10) and (20).

On the whole, these findings clarify somewhat the various moderator variables relevant to post-separation-adjustment and, simultaneously, they explain to some extent the at times inconsistent or ambiguous results encountered within the context of the primary analysis.

Before completing this chapter and moving on to a review and integration of all findings and some suggestions as to their theoretical and practical significance, one final comment about the finding, shown in table 25, that high self-esteem individuals from subsample (70) were negatively disposed toward accepting

a pay cut if that was made a condition for retaining their job in their current field of employment. They would rather rely on public assistance or other alternate sources of income ($r = .16$) than returning to jobs potentially similar in climate to their current ones. These findings complement and confirm the suggestions offered earlier as explanation for the readiness of these respondents to relocate elsewhere in the United States.

Closing Comments

The discussion of hypotheses 7, 8, and 9 brought out the following major conclusions:

1. Occupational Mobility is a viable moderator when measured by the extent to which retained employees prefer staying in their current field of employment with a reduction in salary, if necessary.

2. Availability of independent income proved useful as a moderator when measured by the preference to decline initial job offers.

3. Both occupational mobility and financial independence support predictions in regard to felt and behaviorally manifested anxiety better than in regard to company satisfaction and motivation.

4. Under further examination, the moderators tested for hypotheses 7 thru 9 proved useful as indi-

rect measures of post-separation-adjustment; as such, they correlated more strongly with company satisfaction, job motivation, work-ethic, and self-esteem, than with layoff severity. More specifically, it was established that highly dissatisfied individuals with high esteem are likely to choose prolonged unemployment over an immediate job offer, while highly dissatisfied individuals with a high work-ethic orientation would consider any reasonable job opportunity to avoid the dissonance of idleness associated with prolonged unemployment.

CHAPTER FOUR

Conclusions and Implications

Introduction

Do layoffs have negative repercussions on retained employees? To what extent, if any, do individual differences in retained employees moderate the impact of involuntary separations? These two research questions were the focal points of the dissertation.

The data collected suggest an affirmative answer to the first question; one that is consistent with observations of experienced managers, but at variance with findings of analogous research (e.g. Hulin, 1966). Consequently, severe payroll reductions precipitated statistically significant negative reactions in retained employees. But these reactions were neither as strong as one would predict as result of as stressful an experience as layoffs nor were they uniform across all high layoff organizations assessed. Only the engineering-oriented, high layoff environment of subsample (90) produced a pattern of attitudinal and motivational reactions conceptually in line with expectations. As a group, respondents there showed greater resentment toward their organi-

zations, less interest in their work and more pronounced personal fear of layoffs than others questioned.

Two factors may explain these findings. One is cultural in nature; the other theoretical and methodological. The former reflects the popularly accepted notion that the traditional stigma and economic dislocation associated with unemployment have largely yielded to feelings of nonchalance and relative material well-being. The lack of strong anxiety about being unemployed or the threat of joblessness may be in turn attributed to what national leaders call a general deterioration in work-orientation in America. It is similarly possible that because of the more frequent incidence of job terminations nowadays and the large number of people out of work, such actions evoke a conditioned response of indifference and resignation. The reduction in economic deprivation compounds the impact. A worker idled by layoffs today can count on unemployment compensation and in some cases on supplemental unemployment benefits (SUB) to sustain himself and his family for over a year. Together, these payments account for up to 95 per cent of the individual's ordinary take home pay. Thus, to the "average" retained employee who lacks an inner drive to work, the prospect of unemployment arouses little manifest worry.... The findings as interpreted have very obvious management implications. These will be discussed further on in the chapter.

As an alternate explanation for the absence of strong evidence that layoffs per se have the expected impact on retained employees, it may be suggested that moderator variables effectively contribute to differences in dependent variables. Hypothesis 1, upon which the preceding analysis was based, ignored the moderating impact of individual differences. The results may be therefore attributed to this fact. Indeed, as mentioned at various points in previous chapters, in anticipation of such a condition a number of moderator variables were specified and tested. The hoped-for results, however, did largely not materialize. In most instances, "lay-off severity" as independent variable neutralized the hypothesized effect of moderators. Where that was not the case, their influence was inconsistent and at best inconclusive.

In the pages ahead, a theoretical explanation will be offered for the evident lack of consistent impact of individual differences as moderator variables. Meaningful in its own right, however, the management implications of this largely "negative" pattern of results will be similarly examined. On the other hand, from the perspective of separate or individual findings, the study did yield a number of interesting results already extensively examined for their theoretical significance in the data analysis chapter. It remains here to explore them further for their management implications. The conclusions and recommendations these results suggest will be discussed with the caveat in mind that both in regard to causality and external validity, caution must be

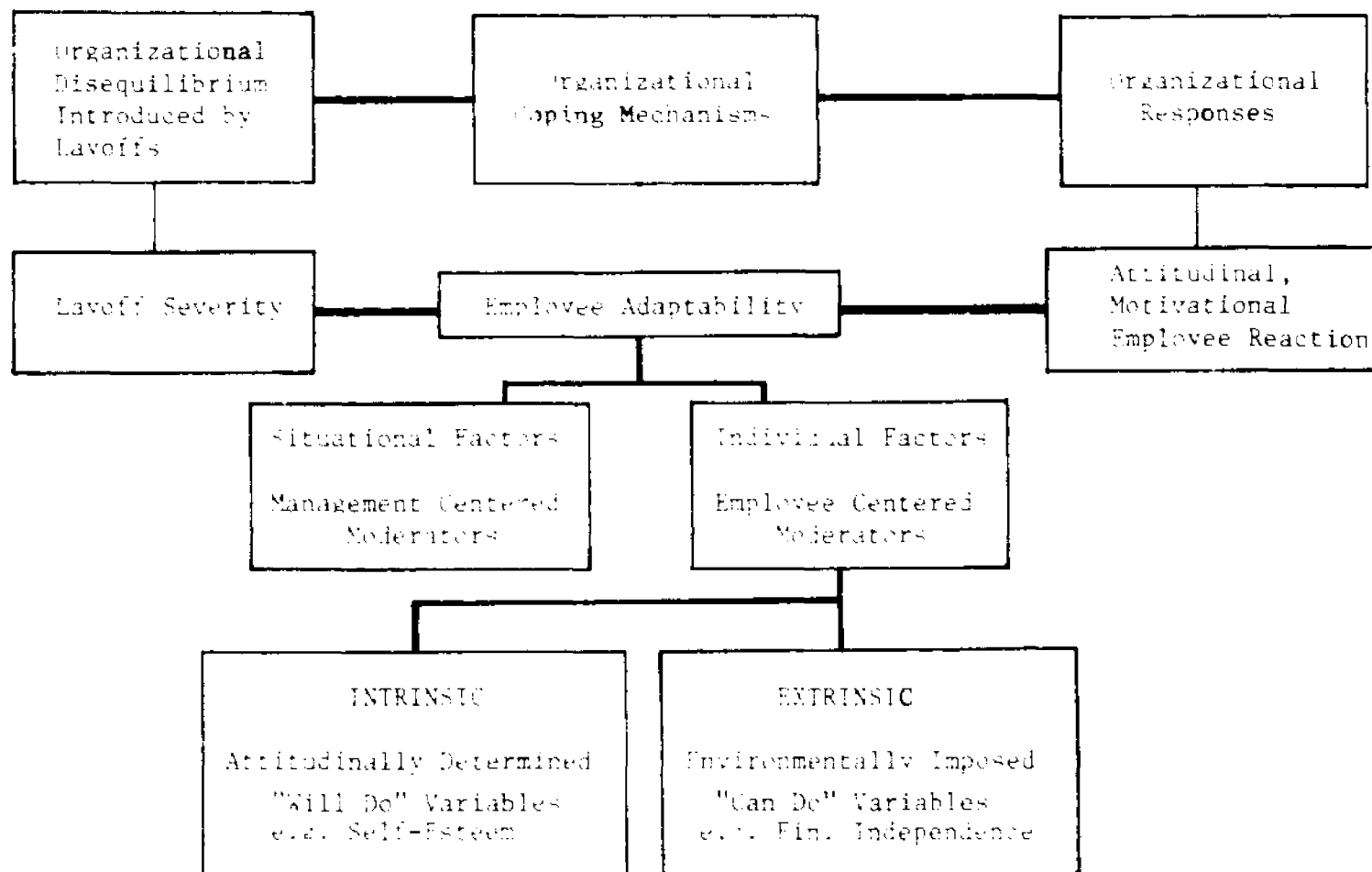
exercised when drawing conclusions from empirical data subjected chiefly to correlational analysis. The functional utility of these selected findings will be consequently restricted to the perspective of the reference samples.

Furthermore, this concluding chapter will address itself briefly to some research-related questions relevant and significant for independent follow-up efforts but left unanswered in the present benchmark study. Finally, some guarded comments will be made about how in the opinion of this writer the project has contributed to a better understanding of an organizational phenomenon that currently affects the general welfare of a growing proportion of American labor.

The Pattern of Findings: Its Implications For Theory and Practice

To integrate the ideas expressed in the dissertation and to prepare for the conclusions that follow, it is worthwhile to restate the conceptual model used as theoretical framework. The research undertaken rested on the premise that layoffs introduce a measure of disequilibrium at the organizational level in proportion to its severity, and that the organizational impact of the environmental condition becomes a function of the degree of distortion thus introduced into the system, all other environmental conditions assumed

Table 26
Restatement of Conceptual Model



equal, and of the coping mechanism initiated by management either in anticipation of or in response to the event in a given firm. Thus, the potential identical effect of a given layoff level across firms is mediated by management's actions in a given firm.

The same reasoning, it was felt, applied as well on an individual level in regard to the impact of layoffs on retained employees. Accordingly, as shown in table 26 on the preceding page, layoffs were assumed to introduce strain in proportion to their severity in retained employees. But instead of precipitating identical repercussions in the motivational and attitudinal disposition of all employees in a given firm, different employees were assumed to react differently to the contextual condition as a function of their sensitivity and/or adaptability to the condition; that is, layoffs.

Operative primarily under conditions of severe or high layoffs, the adaptability potential of retained workers was hypothesized to reflect both management-centered or situational factors and individual factors. * Individual factors were defined as employee-centered moderators that take the form of intrinsic, attitudinally determined variables, such as work ethic and self-esteem, and extrinsic, environmentally imposed variables, such as financial independence.

* A foremost example of situational factors would be management's handling of the layoff process, particularly as it concerns the perceived equity in selecting employees to be terminated, the availability of pre-layoff counseling, and management's interest

These factors, singly and in interaction were tested for their moderating role in partially determining criterion measures.

The model, as presented and described, was essentially motivated by the current mode of thinking in organizational theory. More specifically, it was viewed as consistent with the current state of the art in the field of Organizational Behavior in reflecting the thinking formalized in contingency theory; this, as compared to the more traditional perspective of normative theory, associated with both the classical and neo-classical structuralists. The contingency approach pursued in the study sought to draw attention to the danger of relying for purposes of policy formulation on sweeping and simplistic generalizations. It hoped to establish that while it is understandable for hurried managers to be attracted to and implement predictive and parsimoniously prescriptive conclusions of the kind that directly link independent and dependent variables, doing so would almost certainly lead to disappointing results because such recommendations fail to account for the situation-boundedness of most if not all phenomena in business today.

But why belabor this point? Managers will readily agree that an admonition of this kind is superfluous because they appreciate the complexity and

in locating re-employment opportunities. Because of the practical difficulties involved in data access, these factors could not be systematically investigated in the study.

sensitivity of the layoff problem. This is true enough until the time comes to take action. Then, many "instinctively" reach into their bag of instant, pre-programmed "contingency" plans.... In this vein, I have been often confronted with requests for detailed investigation of organizational issues, only to have administrative officials turn around at the end of the study and request easy and quick answers and solutions. I have therefore come to believe that a key element in "selling" useful advice to practicing and impatient managers consists of developing in them an acquiescence, if not understanding, for implementing actions based on contingency thinking. In terms of arriving at useful practical recommendations, the present study was conducted with this management philosophy in mind.

Consequently, in line with contingency thinking, statistically significant differences between high and low layoff conditions were expected for the separate moderators. But, as pointed out before, the results fell far short of these expectations. Conducting Z-Tests for determining the significance of differences between independently derived correlation coefficients, only two of the results which are consistent with the findings predicted from the hypotheses produced scores close to or above the conventionally accepted level of 1.96 to signify statistical significance. As shown in table 27, the differences in correlation between low and high severity in regard to company satisfaction and motivation under conditions of perceived high task uncertainty are

Table 27a
Test of Differences Between r's
From a Base Sample Breakdown
According to Layoff Condition Only
 (Hypotheses 1 - 6)

Variables	Z	Low Severity (N=85)	High Severity (N=86)
<u>Work Ethic</u>			
Company Satisfaction	.44	.38***	.32***
Motivation	1.97	.36***	.07
Felt Anxiety	.13	-.07	-.05
Credit Reduction	1.95	-.18*	.12
Vacation Curtailment	.33	.17	.12
<u>Self-Esteem</u>			
Company Satisfaction	.00	.14 ⁰	.14 ⁰
Motivation	.54	.20*	.28*
Felt Anxiety	.33	-.16 ⁰	-.11
Credit Reduction	.39	.03	.09
Vacation Curtailment	1.22	-.05	.14
<u>Role Ambiguity</u>			
Company Satisfaction	.48	-.28**	-.21*
Motivation	1.74	-.32**	-.06
Felt Anxiety	.33	.12	.17
Credit Reduction	1.46	.28**	.06
Vacation Curtailment	1.51	.24*	.01
<u>Participation</u>			
Company Satisfaction	1.11	.34***	.18*
Motivation	.93	.25**	.11
Felt Anxiety	.19	-.04	-.01
Credit Reduction	1.70	-.23*	.03
Vacation Curtailment	1.81	-.18*	.10
<u>Task Uncertainty</u>			
Company Satisfaction	1.60	.15	.38***
Motivation	2.28	.08	.41***
Felt Anxiety	1.88	.21*	.08
Credit Reduction	1.23	-.14	.05
Vacation Curtailment	.38	-.08	-.02
<u>Organizational Rank</u>			
Company Satisfaction	.91	-.17 ⁰	-.03
Motivation	.46	.15	-.08
Felt Anxiety	.39	.04	.10
Credit Reduction	.46	.11	.18*
Vacation Curtailment	1.35	.11	-.10

Table 27b
Test of Differences Between r's
From a Base Sample Breakdown
According to Layoff Condition Only
 (Hypotheses 7-9)

Variables	Z	Low Severity	High Severity
<u>Job Change</u>			
Company Satisfaction	.45	-.06	.01
Motivation	.58	.05	-.04
Felt Anxiety	.52	-.09	-.17 ^o
Credit Reduction	1.70	.25*	-.01
Vacation Curtailment	2.40	.22*	-.15 ^o
<u>Same With Cut</u>			
Company Satisfaction	.45	.05	-.02
Motivation	.51	.05	-.03
Felt Anxiety	1.43	.02	-.20*
Credit Reduction	.47	.20*	-.27**
Vacation Curtailment	.06	-.15 ^o	-.16 ^o
<u>Change Without Cut</u>			
Company Satisfaction	.51	.02	-.06
Motivation	.45	.05	-.02
Felt Anxiety	.06	.08	.07
Credit Reduction	.06	.10	-.11
Vacation Curtailment	.84	-.01	-.14 ^o
<u>Change With Training</u>			
Company Satisfaction	1.16	.09	-.09
Motivation	.90	.10	-.04
Felt Anxiety	.06	.02	.01
Credit Reduction	.06	-.06	-.07
Vacation Curtailment	.78	-.03	-.15 ^o
<u>Change With Cut</u>			
Company Satisfaction	1.88	.13	-.16
Motivation	1.09	.07	-.10
Felt Anxiety	.64	-.05	.05
Credit Reduction	.06	-.08	-.09
Vacation Curtailment	.52	-.04	-.12
<u>Financial Independence</u>			
Company Satisfaction	.58	.07	-.02
Motivation	.39	-.05	.01
Felt Anxiety	.06	-.09	.10
Credit Reduction	.73	-.23*	-.12
Vacation Curtailment	.06	-.18*	.17 ^o

Table 27c
Test of Differences Between r's
From a Base Sample Breakdown
According to Layoff Condition Only
Hypotheses 7 - 9
 (continued)

Variables	Z	Low Severity	High Severity
Mobility, U S			
Company Satisfaction	.00	-.05	.05
Motivation	.64	.06	-.04
Felt Anxiety	.91	-.17 ^o	-.03
Credit Reduction	1.16	-.08	.10
Vacation Curtailment	.32	.02	.07
Mobility, Abroad			
Company Satisfaction	.13	.06	.08
Motivation	.06	.10	.09
Felt Anxiety	1.10	.01	.16 ^o
Credit Reduction	1.48	-.10	.13
Vacation Curtailment	.90	-.06	.08
Percent Reduction I			
Company Satisfaction	.71	.09	-.02
Motivation	.06	-.06	-.05
Felt Anxiety	.80	-.01	.01
Credit Reduction	.97	.01	-.14
Vacation Curtailment	.33	-.11	-.16 ^o
Percent Reduction II			
Company Satisfaction	.64	.09	-.01
Motivation	.26	-.01	.03
Felt Anxiety	.77	.04	-.08
Credit Reduction	.45	-.01	-.08
Vacation Curtailment	.65	-.05	-.15 ^o
Weeks of Unemployment			
Company Satisfaction	.45	-.04	-.11
Motivation	.52	-.03	-.11
Felt Anxiety	.32	-.07	-.02
Credit Reduction	1.95	.19*	-.11
Vacation Curtailment	2.21	.15 ^o	-.19*

Level of Significance

o .10; * .05; ** .01; *** .001

1.60 and 2.28 respectively. While inconsistent with hypothesized results, the findings in regard to work ethic and company satisfaction and motivation are similarly noteworthy.

As must be inferred from table 27, the power of individual differences to moderate relationships between predictor and criterion measures in a statistically significant and conceptually meaningful fashion was not established in the present research setting. Added on to similar evidence obtained independently under different conditions by other researchers (e.g. Cronbach, 1975; Korman, 1973, 1974), serious questions arise in regard to the viability of contingency models constructed to account for the impact of individual differences. Discussing the lack of consistency over time when using personality constructs as moderator variables, Korman (1973, 1974) suggests three possible alternative explanations: (1) It is possible that the study may apply the wrong constructs; (2) Assuming that relevant variables are selected, it is possible that the study may have inadequately measured them; and (3) Moderator variables may not be as important in influencing attitude and behavior as thought.

The first explanation suggests that researchers must carefully delimit their use of scales to those well construct validated. But are guidelines to this effect valid and dependable? As pointed out by Cronbach (1975), a highly "construct validated" scale such as the F-Scale is obsolescent despite its "25-year-old research supporting its construct validity," because

"with new times the items carry new implications." A similar comment was made earlier in the paper in connection with the discussion of the low reliability scores obtained with Ghiselli's self-esteem scale. Another issue arises in this context. It may very well be that constructs in interaction with others would manifest the desired effects that do not show up when they are treated individually. But once "we attend to interactions, we enter the hall of mirrors that extends to infinity. However far we carry the analysis, untested interactions of a still higher order can be envisioned!" (Cronbach, 1975). Where does one draw the line? Can one ever be sure of picking the right variables?... Matters are made still more complex by the uncertainty of how the constructs chosen affect the criterion effects sought (Korman, 1974). The variables themselves may affect the criterion measure. Or they may only have an arousal effect on other variables, such as attitudinal predisposition, which in turn precipitate differences in dependent variables....

These issues are raised here primarily for their thought-provoking properties. Some were anticipated in the present study and controlled for. So for example, particular care was exercised in selecting scales. In addition, first and second level partial correlations were calculated for interaction effects, but the results proved negative. Still, as a group, the moderators chosen only poorly predicted differences in criterion measures. The answer may therefore lie in the second explanation suggested by Korman.

The second explanation suggests, among other things, measurement errors by virtue of not specifying "critical values" of the moderator variables. As a case in point, the correlation analysis conducted in this study used the whole range of possible values in determining coefficients and as such could have conceivably masked or neutralized the moderating effect the constructs may have had over a more restricted range of values. The preliminary research advocated (Cronbach, 1975; Korman, 1973) to establish the critical range was not available in advance of this study. However, the data collected here can now be viewed as a preliminary basis for developing some basic critical values to facilitate a more powerful test of the moderating influence of the variables examined on the layoff phenomenon.

Finally, the third explanation suggests a bandwagon effect in attributing greater predictive value to moderator variables (specifically, individual differences) than warranted from available research evidence. In view of the only meager overall pattern of supportive findings produced in the current study, such a conclusion seems tempting but the definitive decision to discard contingency thinking in its application to the layoff problem must be based on and await much more thorough and comprehensive research findings. In the meantime, extreme caution must be exercised in stating the management implications of the overall results. Neither as adverse as predicted nor as susceptible to individual differences as thought, a quick reading of the data may deceptively

point to the conclusion that layoffs are not as stress provoking as popular opinion often make them out to be, and that furthermore, retained employees will quite likely acquiesce to the conditions without a great loss in morale. From a decision viewpoint, this would imply that when economic conditions compel payroll reductions at least in the organizations assessed, (a) management can proceed with the action without much fear of unpleasant repercussions, (b) the necessity for expensive counseling and training efforts to alleviate dysfunctional effects may have been overrated.

While the overall pattern of findings admittedly casts doubt on the moderating impact of differences in employee adaptability as operationally defined, a number of individual results materialized which when analyzed separately do suggest limited importance as decision guidelines. Thus, despite the perception left from the presentation above and in partial contradiction to it that layoffs confront companies with unpalatable dilemmas by being unavoidable and at the same time unpredictable in their impact on retained employees, the specific findings do point to certain areas of possible management intervention that can be usefully pursued toward at least partially alleviating the at least moderate strain and uncertainty associated with such events.

The relevant findings or conclusions will be first listed and then their most apparent management implications for the sample population assessed discussed.

Individual Findings and Their Practical Implications

1. In the severe layoff organizations, individuals who perceived their tasks as unstructured and varied were more likely than others satisfied with their company and motivated by their work. On the other hand, their personal feelings of apprehension or fear of being laid off were seemingly unaffected by "task structure" as moderator.

2. Upward influence, opportunity to participate in decision making and job autonomy enhanced company satisfaction and motivation in both high and low layoff organizations. In addition, these conditions reduced both felt and behaviorally manifested anxiety. Unlike the task structure-related findings, however, the strength of evidence obtained was considerably weakened by a number of inconsistent correlation coefficients.

3. Persons with high self-esteem in the engineering-oriented, high-layoff subsample were significantly more motivated than others. To a more moderate degree, the same results emerged for the other subsamples as well, both high -and low layoff ones. In regard to company satisfaction and personal anxiety, self-esteem produced results in the direction predicted but at less than statistically significant levels.

4. Experience with situations of role ambiguity, hypothesized as p o s i t i v e influence on the dependent variables measured, instead turned out as a nearly constant negative factor in company satisfaction, motivation, and personal anxiety. Thus, tolerance for the environmental turmoil, generated by frequent and high layoffs as result of a conditioning process to other forms of role ambiguity, apparently did not develop. Probably, the unique nature of the layoff phenomenon mitigated against individual adaptation in the organizations examined.

5. Work-ethic orientation and company satisfaction were strongly and positively related across layoff conditions. Similarly, but restricted to low layoff organizations, work-ethic was positively related to the motivation measure. On the other hand, severe layoffs had an apparently overriding effect in controlling the otherwise positive work interest of high work-ethic oriented individuals. Felt anxiety emerged as virtually unrelated to work ethic and results on behaviorally manifested indices of anxiety were inconclusive. Overall, the findings obtained contradict the relationships expected; nonetheless, the policy implications suggested by the results on work ethic are significant and will be discussed more fully below.

6. Organizational rank was weakly and negatively related to both company satisfaction and work motivation, but the results in regard to personal frustration emerged as expected. Thus, while the or-

ganization-related attributes of high level employees seemed adversely affected by the layoff of subordinates or peers, their personal anxiety about being laid off was not. Indeed, with minor exceptions, supervisory personnel expressed less personal apprehension about the use of credit cards and the curtailment of vacation plans than others.

7. Personal feelings arising out of the layoff of others were only weakly related to the willingness of retained employees to move out-of-town or abroad in search of job opportunities should they themselves be laid off. Evidence to this effect was particularly strong in organizations confronted with high company as well as high industry layoffs. So for example, faced with severely restricted job openings throughout the aerospace engineering industry, "willingness to move" became an immaterial consideration to retained workers in the organizations constituting subsample (90). On the other hand, where industry-wide job conditions were favorable, e.g. in subsample (20), results tended more nearly to confirm the hypothesis.

8. Financial independence produced only marginal correlations. The one important exception was subsample (90). There, respondents with independent financial means expressed less job-loss related frustrations than others. Contrary to expectations, however, they also seemed noticeably less satisfied with their company and motivated by their work. Apparently, retained employees of this subsample who had access to other income intellectualized their association with their

respective firms and reduced their emotional involvement to the minimal compliance level necessary to assure retention. Thus, while assuming apathetic if not negative job-related attitudes, they felt psychologically secure by virtue of outside income.

9. As a moderator variable, occupational mobility related to the criterion measures in the following ways: (a) Consistent with expectations, the variable produced few statistically significant coefficients under conditions of low layoffs. On the other hand, in firms with severe cutbacks, there emerged considerable evidence that (b) of the retained employees, those who viewed themselves as occupationally mobile and who were also satisfied, motivated and less frustrated than others preferred to stay on in their present job, even at reduced pay, (c) those negatively disposed toward their firm preferred to switch jobs and/or occupation, even if it entailed accepting a cut in pay or undergoing additional training, while (d) retained employees who expressed little frustration but also little motivation and satisfaction were more inclined to decline an initial job offer, and finally (e) those who felt threatened by a possible layoff but also expressed satisfaction and motivation preferred switching jobs if it meant no loss in earnings.

Some of these findings suggest a number of management implications. The first among them concerns the popular misconception that mild layoffs have less significant impact on retained employees and therefore require only limited management intervention. Aside

from the comment made earlier in the chapter that high layoffs had an unexpectedly milder impact than anticipated, the correlational data indicated that "layoff severity" did not generate statistically significant differences on a consistent basis; in other words, the monotonic relationship hypothesized between severity and moderator variables tested did not materialize. Indeed, the interaction between individual attributes and mild layoffs often produced very strong correlations while the opposite was the case for conditions of severe layoffs. Each layoff situation, it seems, must be therefore separately assessed for its unique characteristics and administrative program aimed at coping with the problem must essentially be tailored to the situational circumstance present.

A second management implication of the analysis focuses on the additional popular misconception that, everything else assumed equal, retained employees who work for firms often forced to cut their payroll will be less affected by the layoffs than those "surviving" a first retrenchment. The evidence available indicates that regardless of layoff frequency, retained employees did not "learn from experience," become "layoff conditioned," and adjust. The reasons for it must await more research. But as pointed out before, it may be surmised that the uniqueness of layoffs, at least in the organizations assessed, evidently rendered it immune to learning principles.

The third management implication is suggested by data indicating that retained employees who perceived the organizational climate as participative and supportive coped better than others with the crisis and similarly, they more strongly maintained their contributions to the firm. Performance of non-routine, varied, and autonomous tasks, exercise of operational authority, and upward influence through involvement in decision making apparently enhanced their feelings of status and self-esteem, and thereby, intensified their sense of responsibility and purpose of not letting the company down when they were needed most.

The reference to self-esteem deserves an additional comment. Toward the beginning of the paper, self-esteem was defined as a person's perception of self-worth as determined by chronic self-esteem, specific self-confidence, and socially induced feelings of competence. In contrast to the two first components of the construct which are essentially beyond short-term management control, the third factor is subject to intervention in the following way:

To the extent that high self-esteem and high self-evaluation is partially the result of satisfying success expectations of others (in this case, management), and to the extent that such compliance is fostered and rewarded in participative work environments, achievement-oriented behavior (performance which sustains organizational purposes) preserves

valued cognitive consistency in the high self-esteem individual (or moves a low-esteem worker in the direction of high self-esteem and over time results in similar outcomes) while simultaneously reinforcing functionally conducive task satisfaction and task commitment (internal motivation).

Exposure to participative management and non-structured tasks has still another desirable impact on employees. This derives from the notion of "interaction-influence" usually associated with non-hierarchical organizations. The openness and communication it breeds affords employees the important opportunity to understand the background and reasons for the lay-off. Everything else assumed equal, such deliberations and explanations significantly decreases employee reticence and resistance, and thus contribute further to the acceptance (or at least acquiescence) of management's decisions.

This third management implication suggests that training and developmental efforts aimed at decentralizing management's span of control and enriching job contents in the process should contribute to greater task commitment on the part of retained employees regardless of layoff severity.

However, an important drawback of decentralizing, and all it implies, is its situation-boundedness. While desirable (though stronger confirmation of its desirability in the organizations assessed would have added more clout to the legitimacy of this claim), the

feasibility of instituting such a management style depends on the skill orientation, attitudinal predisposition and structural task characteristics present in any given situation (Hackman, 1975). This consideration must not be overlooked as a significant constraint.

In contrast to the inference drawn from the overall pattern of findings, employee counseling programs introduced in one of the high layoff organizations assessed (subsample 20) were credited by some retained employees with significantly reducing perceptions of tension and uncertainty surrounding their job status, once the initial shock of the layoff subsided. Particularly welcome to them were the management assurances of continued job security.

The noticeably higher mean scores on motivation and satisfaction, and the significantly lower frustration scores for respondents in subsample (20) than for those in the other high-layoff organizations may be viewed as some empirical evidence for the efficacy of such programs. Furthermore, the negative correlations between satisfaction, motivation, and organizational rank can be interpreted to mean that superiors would have found it easier to make the "command decisions" of whom to let go (all organizations assessed were non-unionized; seniority rules, therefore, did not apply) and suffered less erosion in their job-related attitudes had they had the benefit of concerted downward-oriented moral support from higher management. Finally, this implication is consistent

with both "observations" of practicing managers and widely accepted human relations principles.

The fourth management implication of the specific findings concerns work-ethic orientation. According to the results obtained, work-ethic proved a positive influence in assuring continued company satisfaction of retained employees regardless of layoff severity.

Unlike the preceding two factors discussed, however, work-ethic is difficult to control by management over the short-term. Unlike self-esteem in particular which is susceptible to relatively short-term developmental efforts, work-ethic is a cultural-anthropological trait slowly acquired and internalized as part of an individual's socialization process during his formative years, and hence not easily manipulated thereafter.

If this premise is accepted --and I am unaware of any currently existing evidence that refutes or countermands it, though the definitive word must be based on further study-- it means that organizations cannot readily develop the trait in its current work force and promote company satisfaction under adverse environmental conditions. Instead, work-ethic takes on significance only in terms of manpower selection and retention policies and criteria, as well as in terms of long term manpower development efforts.

Despite its positive connotations, work-ethic proved not entirely free of serious deficiencies in

the organizations assessed. For one, high work-ethic oriented individuals expressed manifestly more job-related anxiety than others. Similarly, but restricted to high layoff conditions, the motivational predisposition of high work-ethic oriented individuals became essentially indistinguishable from that of LWE employees. As will be suggested (hypothesized) below, frustration and motivation may be more directly a function of self-esteem, everything else assumed equal, while work-ethic may be more directly related to company satisfaction, again everything else assumed equal. This suggests all kinds of interesting research possibilities in terms of ascertaining the behavioral consequences of an interaction of the two variables.

On the basis of the separate findings and the individual implications, the following aggregate proposition may be suggested:

Everything else assumed equal, the more work-ethic oriented the retained employees, the more participative the management climate, and the more unstructured the task structure, the less dysfunctional the organizational repercussions of layoffs, regardless of layoff severity and frequency.

The rationale behind this assertion is as follows: High work-ethic oriented employees put much emphasis on company loyalty. This manifests itself in high company satisfaction and seems to prevail des-

pite high and frequent layoffs. Participation and varied tasks offer working conditions conducive to the development and reinforcement of self-esteem and achievement-oriented behavior. By stressing open and multidirectional communication, it also increases the tension threshold, thereby lessening both felt and behaviorally manifested anxiety. The ideal situation obviously is one where the retained employee has high self-esteem, is high work-ethic oriented and has the benefit of a supportive management group that offers credible assurances of job security.

These implications are plausible since they are inferred from the data directly, notwithstanding whether they do or do not support the hypotheses advanced as bases for the study.

Research Implications and Concluding Comment

All research is by nature cumulative and therefore tentative. The statement is particularly germane to original research aimed at discovering rather than confirming phenomena and relationships. This project falls into the first category and as such, it has necessarily left unanswered a great number of substantive and procedural questions to which future research must address itself.

Among the substantive questions are the following: What is the impact of industry-wide layoffs on retained employees? In what material way do frequency of layoffs, and timing of layoffs, and number of retentions experienced by current employees affect their disposition toward the layoff of others, and their attitude toward their company and work? What is the impact of group cohesion, management's handling of the layoff process, and level of pre-lay-satisfaction, anxiety, and motivation on the dependent variables measured? Finally, future research should also be directed at ascertaining how layoffs affect performance of retained workers, a consideration that had to be omitted from the present study because of management's refusal to allow access to performance data, and because of the inherent problem of objectively measuring performance of professional employees.

From a procedural viewpoint, much remains to be done as well. More rigorous tests must be performed to refine present findings. Cross-validation and replication efforts must further determine both the internal and external validity of moderator variables as behavioral predictors in situations of layoffs. Scale substitutions must examine the underlying consistency of behavioral patterns sought. Finally, advances in the state of the art will allow more extensive research projects as well as more intensive examinations of specific problem dimensions. Toward this end, a preliminary follow-up study was recently conducted. A presentation and discussion of findings is included as

Appendix C. The study in essence replicates the findings reported on in the previous chapter. The conclusions, therefore, remain unaltered.

As a cyclical problem, layoffs have in the past significantly affected the fortunes of many organizations and untold individuals. They are bound to do so again in the future. But despite the prevalence of the phenomenon, prior to this study precious little was known about the organizational repercussions of layoffs.

Despite the admittedly inconsistent and inconclusive pattern of results, the project has focused attention on an unexplored area of Organizational Behavior.... It is hoped that in its own small way, it will have contributed to a better understanding of the layoff problem and its impact on retained employees, and that simultaneously, it will offer some modest clues to those responsible for reducing the even moderate conflict shown to be associated with such events. If the study accomplishes these aims, its objectives, as defined in the first chapter, will have been more than met.

APPENDIX A

Letter of Introduction

Date

Mr. M. Mahoney, President
Metal Tool and Dies, Inc.
110 Mountain Road
Middleville, USA

Dear Mr. Mahoney,

I am an Assistant Professor of Management at Hofstra University in Hempstead, Long Island. Simultaneously, I am completing graduate work at the Baruch Graduate School of the City University of New York leading to a Ph.D. in Business, with Management as the area of specialization.

For the past several years, I have conducted research on the impact of layoffs on the productivity of retained employees, on their attitudes toward work in general, and on their morale in particular. I am currently developing my dissertation around the same topic.

To continue my investigation in a meaningful way, I require field data. It is in this regard that I send this letter to you. Your schedule permitting, may I have your permission to submit to a cross sample of your employees a one-hour questionnaire on company premises within the next five weeks or so.

Your recent decision to lay off some workers was based, I'm sure, on many considerations. One amongst them probably was your concern about the continued viability of your firm in the face of current market conditions and despite the employee separations they provoked.

Because of the frequency and randomness with which they seem to occur today, personnel cutbacks are news/headline grabbers. While attracting much attention both in the daily and weekly press as well as in the more specialized business journals, very few systematic studies have been conducted, and of those which are available most tend to focus on the impact of layoffs on those unemployed. My interest, on the other hand, lies in determining the organizational repercussions of such separations; i.e., how companies have fared pursuant to layoffs, and whether or not the events are sufficiently stressful to those retained to adversely affect their work behavior.

Because of your position in the firm, I am sure you will appreciate the importance of this project. I would therefore be grateful for your cooperation in enabling me to achieve my research objectives. They are as follows: To establish a sound statistical basis for understanding this significant and topical management problem, and to establish a sound operational basis for developing a set of practical decision guidelines which will assist management to anticipate and cope with a condition which is beyond their control, rather than having to react and respond to it in hindsight.

Careful thought and reflection, and considerable preliminary interviewing of informed individuals have contributed to a number of useful hypotheses. If they are borne out under field conditions, they should offer valuable clues about how retained employees, who differ from one another personally and in their organizational status and capacity, perceive layoffs of fellow workers; to what extent such actions tend to interfere with their morale and performance at work; and what hiring and employee relations policies may be advisable under the circumstances.

Upon completion of the data analysis, I would be most willing to sit down with you and discuss my findings and recommendations without, for obvious reasons, disclosing any individual answers. Indeed, full confidentiality and anonymity to those participating must be and will be assured. They will not have to identify themselves since data collection will be completed in one day, taking no more than about one hour of each employee's time.

If you want more information on the substantive or procedural details of my project, please drop me a note at Hofstra, or give me a ring at 516- 560 3391.

Hoping that your response to this request will be positive, I remain

Respectfully yours, ~

Respectfully yours, ~

Harold B. Blau
or of
Management and Org. Behavior
Department of Management
Hofstra University
Hempstead, Long Island 11550

APPENDIX B
QUESTIONNAIRE

QUESTIONNAIRE

The attached questionnaire is part of an extensive study examining the organizational repercussions of recent business conditions in the U.S. The researcher is particularly interested in your opinion on and your reaction to the adverse economic conditions as they have affected your company and your job. This questionnaire is submitted in partial fulfillment of the dissertation requirement for a Ph.D. degree in Management and Organizational Psychology.

My thanks to you for participating in the survey. When completing the questionnaire, please adhere to the following instructions:

1. Do not put your name on your questionnaire booklet. Indeed, all information will be treated in strictest confidence. No individual data will be disclosed except in aggregate and statistical form, which will not identify you.
2. Please be as accurate and candid as possible in your answers. Your fullest cooperation in this regard will facilitate meaningful statistical analysis of the data.
3. Do not respond in a way you feel you ought to make your answers more "acceptable." Also, do not select answers simply because you would like them to be true. Please bear in mind that for many questions a high rating or strong agreement is not necessarily good; a low rating, not necessarily bad. Your ratings are intended to reflect your perception of specific items; nothing more.

4. Please proceed sequentially through the six parts of the questionnaire. Answer the questions carefully, but do not spend too much time on each item. Move swiftly, but be sure to answer each question. Do not go back and "correct" any answers.

5. However, if you wish to comment on or clarify any of your answers, please attach a sheet of paper for that purpose. Be sure though to put an asterisk besides the item affected where it appears in the questionnaire, and on the sheet, please identify same by number and part.

6. After completing questionnaire, please tear off top sheet containing instruction 6. Unless told otherwise, please return the test in the stamped and self-addressed envelope.

Very many thanks for your cooperation.

PART I: PERSONAL BACKGROUND

CD 1, 1-10

- | | | | |
|----|---|----|--|
| 11 | 1. Year of Birth: | 18 | 8. Length of employment with current employer: |
| 12 | 2. Male ; Female | 19 | 9. For how many companies have you worked in the past ten years?

current company only
two companies
three companies
four companies
five or more companies |
| 13 | 3. Education: Please check the highest level of education you have attained:

less than high school
high school diploma
some college, no degree
bachelor's degree
master's degree
other: | 20 | 10. Since you began working for this company how many of the following have you experienced?

promotions
lateral transfers
demotions |
| 14 | 4. Education: If you have completed college, please provide the following information:

Undergraduate Degree:
Major: | 21 | 11. Would you define the organizational level of your position as:

top management
upper management
middle management
lower management
worker level |
| 15 | 5. Family status: Please check whether you are:

Married
Single
Widowed
Divorced, separated | 22 | 12. Since you first began to work for this time, how many of the following have you experienced?

layoffs
quits
other form of separation |
| 16 | 6. If you have a family, do you normally provide the main support for the household?

Yes No

If "No", please state main source of family income: | 23 | 13. Were you working at your current place of employment prior to the recent organizational restructuring?

Yes
No |
| 17 | 7. Which of the following choices would you say best describes your position in the firm?

non-supervisory, technical
non-supervisory, non-technical
supervisory, non-technical
supervisory, technical | | |

PART II

This part consists of a set of questions concerning the way people think and feel about work in general. It is a measure of your opinion. As such, there are no right or wrong answers.

Read each statement carefully and, using the 5 point scoring scale shown below, indicate the level of your agreement with each statement.

Very little					Strong
Agreement					Agreement
1	2	3	4	5	

- 24 1. Most people spend too much time in unprofitable amusements.
- 25 2. Our society would have fewer problems if people had less leisure time.
- 26 3. Money acquired easily (e.g. through gambling or speculation) is usually spent unwisely.
- 27 4. There are few satisfactions equal to the realization that one has done his best at a job.
- 28 5. The most difficult job usually turns out to be the most rewarding.
- 29 6. Most people who don't succeed in life are just plain lazy.
- 30 7. The self-made man is likely to be more ethical than the man born to wealth.
- 31 8. I often feel I would more successful if I sacrificed certain pleasures.
- 32 9. People should have more leisure time to spend in relaxation.
- 33 10. Any man who is able and willing to work hard has a good chance of becoming rich.
- 34 11. People who fail at a job have usually not tried hard enough.
- 35 12. Life would have very little meaning if we never had to suffer.
- 36 13. Hard work offers little guarantee of success.
- 37 14. The credit card is a ticket to careless spending.
- 38 15. Life would be more meaningful if we had more leisure time.
- 39 16. The man who can approach an unpleasant task with enthusiasm is the man who gets ahead.
- 40 17. If one works hard enough he is likely to earn a good life for himself.
- 41 18. I feel uneasy when there is little work for me to do.
- 42 19. A distaste for hard work usually reflects a weakness of character.

PART III

Thinking back over the years you have been employed, the companies you have worked for, and the type of tasks (work) you have been engaged in, indicate your experience with situations like the ones expressed in the statements in this part.

It is important to remember when replying that your frame of reference should include a cross section of jobs you have had, though major ones should be emphasized. Only if the current job you hold is your first one should your answers be restricted to it.

For the first ten questions in this part, please use the following rating scale:

No experience at all		A great deal of experience		
1	2	3	4	5

How much experience have you had with work situations

- 45 | 1. ... where you felt uncertain about how much authority you have.
- 44 | 2. ... where you were corrected or rewarded when you really didn't expect it.
- 43 | 3. ... where you knew that you divided your time properly.
- 42 | 4. ... where you did not know exactly what was expected of you.
- 41 | 5. ... where you had to "feel your way" in performing your duties.
- 40 | 6. ... where you felt uncertain about how you would be evaluated for a raise or promotion.
- 39 | 7. ... where you were uncertain as to how your job was linked to others in the firm.
- 38 | 8. ... where explanations were not clear of what had to be done.
- 37 | 9. ... where you had to work under vague directives or orders.
- 36 | 10. ... where you did not know if your work would be acceptable to your boss.

For the next group of five questions or statements, please use the scale shown below and indicate your level of agreement with each one.

Very little Agreement			A great deal of Agreement	
1	2	3	4	5

- 53 _____ 11. When important matter came up that concerned me, my superiors generally sought out my advice and ideas before a decision was made.
- 54 _____ 12. All in all, I have had very little influence in managerial decisions that have affected me in important ways.
- 55 _____ 13. I have had few opportunities, if any, to participate in the supervisory decisions that have affected the significant aspects of my job.
- 56 _____ 14. My superiors have generally been inclined to accept the opinions of their subordinates in important decisions about job-related matters.
- 57 _____ 15. If I had suggestions for improvements to make, it would be difficult for me to get a real hearing on it from my superiors.

Using the appropriate scoring form as shown, please answer the following questions:

- 58 _____ 16. How much variety is there in the work tasks you perform?

Very little		Very much		
1	2	3	4	5

- 59 _____ 17. Every job is controlled by certain routines and repetitive activities. What percent of the activities in your work formally require the use of (a) (b) (c) (d) would you consider to be of a routine nature?

5	0% - 20%
4	20% - 40%
3	40% - 60%
2	60% - 80%
1	80% - 100%

- 60 _____ 18. The tasks of some individuals are more "structured" than others. If the goals are clearer, the methods to be used are more understood, and the problems are more repetitive and less unique, for example, would you please rate what you feel is the degree of "structured" of the major jobs you have had during your work experience?

Highly structured			Highly Unstructured		
1	2	3	4	5	

PART IV

The purpose of the inventory below is to obtain a picture of the traits you believe you possess. There are no right or wrong answers. Don't look for them. Record the first impression for each pair of adjectives by marking the one you believe applies to you. In some instances you may discover that you believe both items or neither one. In such cases, be sure to select the one you more strongly believe to be appropriate. Also, try to respond to each item independently, when making your choice; do not be influenced by previous items.

In each pair of words which follows, mark the one you think most describes you.

- | | | | | | |
|----|---------------------------------------|----|--|----|--|
| 61 | ___ 1. understanding
___ thorough | 66 | ___ 6. enterprising
___ intelligent | 71 | ___ 11. responsible
___ reliable |
| 62 | ___ 2. loyal
___ dependable | 67 | ___ 7. progressive
___ thrifty | 72 | ___ 12. dignified
___ civilized |
| 63 | ___ 3. unaffected
___ alert | 68 | ___ 8. thoughtful
___ fair-minded | 73 | ___ 13. imaginative
___ self-controlled |
| 64 | ___ 4. sharp-witted
___ deliberate | 69 | ___ 9. suitable
___ steady | 74 | ___ 14. sympathetic
___ patient |
| 65 | ___ 5. kind
___ jolly | 70 | ___ 10. pleasant
___ modest | 75 | ___ 15. stable
___ foresighted |

29=1
CD 2, 1-10

In each pair of word below, mark the one you think most describes you.

- | | | | | | |
|----|---------------------------------------|----|-------------------------------------|----|--|
| 11 | ___ 1. shy
___ lazy | 17 | ___ 7. dreamy
___ fanciful | 23 | ___ 12. uninterested
___ interested |
| 12 | ___ 2. immature
___ quarrelsome | 18 | ___ 8. aesthetic
___ egotistical | 24 | ___ 13. happy
___ cheerful |
| 13 | ___ 3. selflessly
___ self-seeking | 19 | ___ 9. despondent
___ cheerful | 24 | ___ 14. undisciplined
___ disciplined |
| 14 | ___ 4. concerted
___ infantile | 20 | ___ 10. weak
___ selfish | 25 | ___ 15. cerebral
___ aggressive |
| 15 | ___ 5. shallow
___ staid | 21 | ___ 11. busy
___ self-absorbed | 26 | ___ 16. independent
___ controlled |
| 16 | ___ 6. amiable
___ frivolous | | | | |

PART V

Below are listed 20 questions associated with your company. Using the following 5-point scale, please indicate the extent of agreement with each statement and enter your rating into the blank spaces provided next to each statement.

	Very little Agreement					A great deal of Agreement
	1	2	3	4	5	
27	_____		1. I like working for this company.			
28	_____		2. If I had a friend looking for employment, I'd recommend this company.			
29	_____		3. I believe this company's future prospects are good.			
30	_____		4. I wouldn't want to work for any other company.			
31	_____		5. The people in this community respect this company.			
32	_____		6. I feel I am part of the company.			
33	_____		7. This company is always fair and honest.			
34	_____		8. This company has good personnel policies.			
35	_____		9. The company adequately informs us about things we should know.			
36	_____		10. This company operates efficiently and smoothly.			
37	_____		11. I am proud to tell friends I work for this company.			
38	_____		12. Management listens to suggestions and complaints.			
39	_____		13. I am proud of this company's image.			
40	_____		14. If a friend criticized this company, I would probably argue with him.			
41	_____		15. No matter how qualified, there isn't much future here for anyone who isn't "IX" with top management.			
42	_____		16. I would move to another location in order to stay with this company.			
43	_____		17. I am proud of the company's products.			
44	_____		18. If I had my employment decision to make over, knowing what I know now, I would choose the same company.			
45	_____		19. I am a better person for having worked for this company.			
46	_____		20. Most of the other salaried employees are satisfied with this company.			

PART VI

The purpose of this part of the questionnaire is to ascertain the impact of the recent adverse business conditions on your personal well-being, your feelings toward your firm and your interest in the type of work you are engaged in.

The statements in this part concern your current job motivation in contrast to your job motivation before the latest recession. For the first five statements, use the five-point scale of agreement shown below. In question five, make correct choice.

Very little Agreement	A great deal of Agreement
1 2 3 4 5	

- | | | | | | | | | | | | | |
|-------|---|---|-------|---|-------|--|-------|--|-------|---------------------------------------|-------|---|
| 47 | _____ | 1. I used to care a lot about my work, but now other things are more important to me. | | | | | | | | | | |
| 48 | _____ | 2. I used to be more ambitious about my work than I am now. | | | | | | | | | | |
| 49 | _____ | 3. I avoid taking on extra duties and responsibilities in my work. | | | | | | | | | | |
| 50 | _____ | 4. Quite often, I feel like staying home from work instead of coming in. | | | | | | | | | | |
| 51 | _____ | 5. Considering your desire or willingness to perform, rather than your actual performance or ability to perform, would you say that you <table border="0" style="margin-left: 40px;"> <tr> <td style="text-align: center;">_____</td> <td>1. are indifferent in the job and lack motivation</td> </tr> <tr> <td style="text-align: center;">_____</td> <td>2. are somewhat indifferent toward the job</td> </tr> <tr> <td style="text-align: center;">_____</td> <td>3. have some job interest but are somewhat motivated</td> </tr> <tr> <td style="text-align: center;">_____</td> <td>4. are actively interested in the job</td> </tr> <tr> <td style="text-align: center;">_____</td> <td>5. are very interested in the job and fully motivated</td> </tr> </table> | _____ | 1. are indifferent in the job and lack motivation | _____ | 2. are somewhat indifferent toward the job | _____ | 3. have some job interest but are somewhat motivated | _____ | 4. are actively interested in the job | _____ | 5. are very interested in the job and fully motivated |
| _____ | 1. are indifferent in the job and lack motivation | | | | | | | | | | | |
| _____ | 2. are somewhat indifferent toward the job | | | | | | | | | | | |
| _____ | 3. have some job interest but are somewhat motivated | | | | | | | | | | | |
| _____ | 4. are actively interested in the job | | | | | | | | | | | |
| _____ | 5. are very interested in the job and fully motivated | | | | | | | | | | | |

For the following questions, please indicate the answer that best reflects the change in your attitude toward your company since the beginning of the recession.

- | | | |
|----|-------|---|
| 52 | _____ | 1. The company represents one of the best places to work for an employee at this present time. |
| 53 | _____ | 2. I believe I have taken the necessary steps earlier than most in my department (or equivalent work unit). |
| 54 | _____ | 3. Part of the trouble in getting the layoff of fellow employees resulted. |

- 55 4. I believe I think about the cutbacks more than most of my fellow
workers do.
- 56 5. Frankly, I don't like the uncertainty surrounding my current employment
status.
- 57 6. The current economic conditions have made me reduce extensively on my
other credit card, or other form of consumer credit, only if necessary.
- 58 7. The current economic conditions have made me cut back drastically on my
vacation plans for this year.

Answer the following questions in the form requested. They are not to be
in narrative form; your condensed answer is most important. For each question, answer in
1 year.

59
-60

8. Suppose you had been personally selected to employ one of the following
persons in your plant or office for the next year?

- | | | |
|------------------------------------|-----|----|
| (a) Is another part of the country | Yes | No |
| (b) Another | Yes | No |

9. Suppose you had lost your job and could not find another one with similar
status in the same field. We are not interested in how long you would be
unemployed, but in how long you would be unemployed before you would
be able to find a new job.

10. Suppose you had lost your job and could not find another one with similar
status in the same field. We are not interested in how long you would be
unemployed, but in how long you would be unemployed before you would
be able to find a new job.

- 61 (a) If you were the same person now with the same status in the same
field, would you be willing to accept the same terms?
- 62 (b) If you were the same person now with the same status in the same
field, would you be willing to accept the same terms?
- 63 (c) If you were the same person now with the same status in the same
field, would you be willing to accept the same terms?
- 64 (d) If you were the same person now with the same status in the same
field, would you be willing to accept the same terms?
- 65 (e) If you were the same person now with the same status in the same
field, would you be willing to accept the same terms?

APPENDIX C
Results of Follow-Up Study

Follow-Up Sample

108 professional employees from three organizations participated in a replication study undertaken to verify the results of the original sample. Two of the groups came from high layoff organizations; the third sub-sample was drawn from an organization that until now had escaped layoffs. It was, therefore, used as control group for comparative purposes.

The sample listed first on table 28 was code-name (60) and consisted of a different task unit from the same engineering firm than that used in the original sample population. Subsample (80) was drawn from a department of the City Of New York Government. According to publicly available information, about 35000 employees have been laid off over the past year as a consequence of the financial crises experienced by the City. This represents approximately 10 per cent of all City workers, and thus qualifies the group assessed as a high layoff sample. The control sample came from a unit of State of New York employees working in the New York City vicinity. Questionnaire data were obtained from them in connection with a different, independent, survey in which this researcher collaborated. Since only some of the

scales used there were identical to those employed in this project -- especially the attitudinal measures of company satisfaction and motivation, as well as the personality scales of work-ethic and self-esteem -- only the partial data shown in table 28 was obtained for this sample.

An analysis of the data indicates few measurable differences in results from those of the original sample. Strong support for the positive impact of work-ethic on work-related attitudes was secured from two of the samples, one of which was the zero layoff subsample. Confirming similar results in the original study, moderate but consistent correlations between the motivation measure and self-esteem were, likewise, obtained. In regard to at least some of the dependent variables, strong correlations in the direction predicted emerged also for the moderator variables of role ambiguity and participation.

Thus, the pattern of findings of the follow-up sample is essentially similar to that established in the original sample. They, therefore, reinforce, the conclusions presented in chapter four.

The Z test results for differences between correlations are presented separately in table 29. Self-explanatory in nature, they need not be commented upon further, here.

Table 23
Correlations Derived From Follow-Up Sample
Hypotheses 1 thru 6

Variables	Subsample (New 60) High Layoff (N=31)	Subsample (80) High Layoff (N=43)	χ^2 Test	Control Sample Zero Layoff (N=34)
Work Ethic				
Company Satisfaction	.03	.30*	1.13	.40**
Motivation	.04	.18	.57	.53**
Felt Anxiety	-.14	-.06	.32	
Credit Reduction	-.03	.16	.78	
Vacation Curtailment	-.20	.08	1.15	
Self Esteem				
Company Satisfaction	.26 ⁰	.14	.50	.09
Motivation	.26 ⁰	.32*	.27	.21
Felt Anxiety	.12	-.02	.57	
Credit Reduction	.56***	.09	2.20	
Vacation Curtailment	-.01	-.15	.57	
Role Ambiguity				
Company Satisfaction	-.37**	-.26*	.50	
Motivation	-.38**	-.28*	.45	
Felt Anxiety	.10	.28*	.76	
Credit Reduction	.09	.01	.32	
Vacation Curtailment	.19	-.04	.62	
Participation				
Company Satisfaction	.80***	.45***	2.50	
Motivation	.70***	.39***	1.85	
Felt Anxiety (a)	-.26 ⁰	.12	.59	
Credit Reduction	.02	.01	.04	
Vacation Curtailment	-.25 ⁰	-.05	.83	
Task Uncertainty				
Company Satisfaction	.20	.06	.58	.06
Motivation	.31*	.18	.56	-.01 (b)
Felt Anxiety	-.23	-.14	.38	
Credit Reduction	.04	-.08	.49	
Vacation Curtailment	.18	.01	.70	
Organizational Rank				
Company Satisfaction	-.12	-.20 ⁰	.33	.20
Motivation	-.06	.16	.41	-.12
Felt Anxiety	-.19	-.11	.33	
Credit Reduction	-.01	.01	.00	
Vacation Curtailment	-.15	.04	.45	

(a) when controlled for seniority $r = -.40^{**}$ (seniority vs. anxiety $r = .47^{***}$)

(b) based on complete task structure scale (House and Bessler)

Correlations Derived From Follow-Up Sample
Hypotheses 7 thru 9

Variables	Subsample (New 60) High Layoff	Subsample (80) High Layoff	Z- Test	Control Sample Zero Layoff
Job Change				
Company Satisfaction	-.22	.12	1.40	N A
Motivation	-.03	.07	.40	
Felt Anxiety	-.31*	.24 ^o	2.29	
Credit Reduction	-.12	.33*	1.88	
Vacation Curtailment	-.03	.02	.04	
Same With Cut -Occ. Mob.				
Company Satisfaction	.17	.13	.17	N A
Motivation	.03	.06	.12	
Felt Anxiety	.02	.08	.24	
Credit Reduction	-.19	.05	.98	
Vacation Curtailment	.04	.09	.53	
Change Without Cut				
Company Satisfaction (a)=-.21		.02	.95	N A
Motivation	-.05	-.01	.16	
Felt Anxiety	.17	-.04	.86	
Credit Reduction	.25 ^o	.18	.30	
Vacation Curtailment	.18	.19	.04	
Change With Training				
Company Satisfaction (b)=-.15		.11	.17	N A
Motivation	-.11	.05	.65	
Felt Anxiety	.31*	.04	1.14	
Credit Reduction	.45**	.09	1.60	
Vacation Curtailment	.15	.12	.12	
Change With Cut				
Company Satisfaction	.20	.07	.54	N A
Motivation	-.18	.03	.86	
Felt Anxiety	.01	.30*	1.22	
Credit Reduction	-.08	.20	1.15	
Vacation Curtailment	-.18	.21	1.60	
Fls. Independence (Offer Decl.)				
Company Satisfaction	.01	.04	.12	
Motivation	-.05	.12	.69	
Felt Anxiety	-.38*	.27*	2.75	
Credit Reduction	-.32*	.01	1.26	
Vacation Curtailment	.10	.08	.73	

(a) when controlled for participation $r = -.42^{**}$ (satisfaction vs. part. $r = .80^{***}$)
 (b) when controlled for participation $r = -.45^{**}$ (" " " ")

Correlations Derived From Follow-Up Sample
Hypotheses 7 thru 9
(continued)

Variables	Subsample (New 60) High Layoff	Subsample (80) High Layoff	Z- Test	Control Sample Zero Layoff
Mobility, U S				
Company Satisfaction	-.26 ⁰	-.08	.75	N A
Motivation	-.24 ⁰	-.10	.58	
Felt Anxiety	-.11	.22 ⁰	1.36	
Credit Reduction	.11	.11	.00	
Vacation Curtailment	.13	.07	.29	
Mobility, Abroad				
Company Satisfaction	-.06	-.16	.41	N A
Motivation	-.03	-.13	.41	
Felt Anxiety	-.29 ⁰	.03	1.33	
Credit Reduction	-.32*	.02	1.42	
Vacation Curtailment	-.45**	.05	2.17	
Percent Reduction I				
Company Satisfaction	.21	-.31*	2.17	N A
Motivation	.13	-.14	1.10	
Felt Anxiety	.54**	.13	1.92	
Credit Reduction	.10	.15	1.02	
Vacation Curtailment	-.14	-.03	.45	
Percent Reduction II				
Company Satisfaction	.01	-.24 ⁰	1.03	N A
Motivation	-.11	-.09	.08	
Felt Anxiety	.48**	.02	2.04	
Credit Reduction	-.02	.05	.28	
Vacation Curtailment	-.18	-.01	.70	
Weeks of Unemployment				
Company Satisfaction	-.17	-.04	.53	N A
Motivation	-.16	-.17	.04	
Felt Anxiety	-.20	-.11	.37	
Credit Reduction	.19	-.10	1.10	
Vacation Curtailment	-.11	.03	.57	

Table 29
Test of Differences Between r's
From a Follow-Up Sample Breakdown
According to Layoff Condition Only
 (Hypotheses 1 - 6)

Variables	Z	Zero Layoff N = 34	High Layoffs N = 74
<u>Work Ethic</u>			
Company Satisfaction	1.12	.40**	.18 ^o
Motivation	1.53	.43**	.13
Felt Anxiety			-.09
Credit Reduction			.09
Vacation Curtailment			.02
<u>Self-Esteem</u>			
Company Satisfaction	.47	.09	.19 ^o
Motivation	.45	.21	.30**
Felt Anxiety			.03
Credit Reduction			.28**
Vacation Curtailment			-.10
<u>Role Ambiguity</u>			
Company Satisfaction			-.26*
Motivation			-.27*
Felt Anxiety			.23*
Credit Reduction			.02
Vacation Curtailment			-.16 ^o
<u>Participation</u>			
Company Satisfaction			.60***
Motivation			.51***
Felt Anxiety			-.17 ^o
Credit Reduction			-.01
Vacation Curtailment			-.11
<u>Task Uncertainty</u>			
Company Satisfaction	.38	.06	.14
Motivation	1.18	.01	.24*
Felt Anxiety			-.16 ^o
Credit Reduction			.04
Vacation Curtailment			-.04
<u>Organizational Rank</u>			
Company Satisfaction	1.22	.20	-.06
Motivation	.23	-.12	-.07
Felt Anxiety			-.08
Credit Reduction			.01
Vacation Curtailment			.11

Test of Differences Between r's
From a Follow-Up Sample Breakdown
According to Layoff Condition Only
 (Hypotheses 7-9)

Variables	Z	Zero Layoffs	High Layoffs
<u>Job Change</u>			
Company Satisfaction			.04
Motivation			.02
Felt Anxiety			.03
Credit Reduction	NOT AVAILABLE		.15 ^o
Vacation Curtailment			.04
<u>Same With Cut</u>			
Company Satisfaction			.03
Motivation			.03
Felt Anxiety	NOT AVAILABLE		.03
Credit Reduction			.04
Vacation Curtailment			.04
<u>Change Without Cut</u>			
Company Satisfaction			-.07
Motivation			-.02
Felt Anxiety	NOT AVAILABLE		.09
Credit Reduction			.14
Vacation Curtailment			.22**
<u>Change With Training</u>			
Company Satisfaction			-.09
Motivation			.02
Felt Anxiety	NOT AVAILABLE		.14
Credit Reduction			.16 ^o
Vacation Curtailment			.16 ^o
<u>Change With Cut</u>			
Company Satisfaction			-.01
Motivation			.06
Felt Anxiety	NOT AVAILABLE		.19
Credit Reduction			.11
Vacation Curtailment			.14
<u>Financial Independence</u>			
Company Satisfaction			.01
Motivation			.06
Felt Anxiety	NOT AVAILABLE		.13
Credit Reduction			.01
Vacation Curtailment			.10

Test of Differences Between r's
From a Follow-Up Sample Breakdown
According to Layoff Condition Only
 (continued)
 (Hypotheses 7-9)

Variables	Z	Zero Layoffs	High Layoffs
<u>Mobility, U.S.</u>			
Company Satisfaction			.09
Motivation			.04
Felt Anxiety		NOT AVAILABLE	.19 ^o
Credit Reduction			.10
Vacation Curtailment			.06
<u>Mobility, Abroad</u>			
Company Satisfaction			.04
Motivation			.07
Felt Anxiety		NOT AVAILABLE	.14
Credit Reduction			.14
Vacation Curtailment			.15
<u>Percent Reduction I</u>			
Company Satisfaction			-.22*
Motivation			-.11
Felt Anxiety		NOT AVAILABLE	.16
Credit Reduction			.13
Vacation Curtailment			.01
<u>Percent Reduction III</u>			
Company Satisfaction			-.18 ^o
Motivation			-.09
Felt Anxiety		NOT AVAILABLE	.09
Credit Reduction			.09
Vacation Curtailment			.05
<u>Weeks of Unemployment</u>			
Company Satisfaction			-.11
Motivation			-.14
Felt Anxiety		NOT AVAILABLE	.03
Credit Reduction			.07
Vacation Curtailment			.05

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